I. INTRODUCTION

A. Purpose of Guidelines: The Board of Governors of The University of North Carolina has been delegated authority for the administration of design and construction of capital improvement projects requiring the estimated expenditure of public money of two million dollars ($2M) or less. In turn, the Board has also been authorized to delegate that authority to constituent institutions and affiliates of The University of North Carolina, if an institution is qualified under procedures developed in consultation with the Director of the Budget and the State Building Commission. This delegation was first granted at the $500,000 level by Senate Bill 862 in 1997. Effective January 1, 2002, Senate Bill 914 increased the delegation to $2M. The purpose of this document is to provide guidelines to constituent universities and affiliates (referred to as campuses hereafter) of The University of North Carolina in the administration of the design and construction of the capital improvement projects included in this delegation of authority.

B. Scope of Guidelines: The 1997 Session of the General Assembly enacted legislation which assigned authority to The University of North Carolina Board of Governors for certain actions relating to the design, construction, or renovation of buildings, utilities, and other property development of The University of North Carolina for a limited time, through July 1, 2001, at which time performance under the delegation was evaluated. Subsequent legislation
in the 2001 Session (HB914) increased the applicable dollar value (from $500,000 to $2M) and time frame (from a fixed date) to a permanent delegation. The net result of these provisions is that the responsibility for the design and construction process for capital improvements less than $2M rests with the campuses as delegated by the Board of Governors. The Board has established criteria under which delegation will be granted to campuses as outlined in Attachment 1

C. Organization of Support System:

1. The criteria in Attachment 1 lists the functions involved in the administration of design and construction projects and the capability that is expected to exist at each campus to perform these functions. In the event that a campus is unable to perform those functions, appropriate staff resources will be assigned from a constituent institution of The University. Such staff resources will remain under the employment of their parent organization, but will be fully available as appropriate to provide assistance in the capital project management process for projects involving the public expenditure of $2M and less. Development and implementation of this support arrangement results in the designation of three categories of institutions: (1) supporting (can function independently and provide assistance to others); (2) supported (requires assistance to fulfill assigned responsibilities); and (3) independent (can fully perform all assigned responsibilities but is not designated to render assistance to other institutions). The delegation as an "independent campus" may be made or
withdrawn by the Board of Governors based on the Board's evaluation of the staffing and management practices of the institution and as recommended by General Administration.

2. Attachment 1 provides an expanded list of functions with expectations outlined for all campuses. In the event that a campus cannot be delegated the full authority for design and construction management by the Board of Governors, another campus will be appointed to assist and guide the supported one. This supporting campus may recommend to General Administration that additional functions be delegated at any time, but a supporting campus will generally be assigned the following support roles:

   a. Design Fee Negotiation – The supporting campus as represented by a registered architect or professional engineer will participate in fee negotiations and will approve the fees.

   b. Design Review – The supporting campus will approve final plans and specifications for form and conformance with good design and engineering practice. The supporting campus must have a licensed architect or engineer participating in this review.

   c. Bid Opening – A representative of the supporting campus who is a registered architect or engineer, or a certified Capital Projects Coordinator may be present at supported campus's bid openings to respond to questions and/or appeals, at the campus' request.
d. Change Order – The supporting campus will review and approve change orders. The supported campus must certify that change is required and the funds are available.

e. Final Inspection – The supporting campus will participate in the final inspection. The designer, supporting campus, supported campus, and State regulatory inspectors must all concur that the facility is ready for acceptance.

D. Level of Support:

The level of support to be provided by supporting campuses to supported campuses is to be determined by the campuses in keeping with the principles as outlined in this document. Generally, the role of supporting campus (SC) will be that of a blend of oversight and technical assistance, with certain functions requiring the approval of both supported and supporting campuses. The following table illustrates the relationship when a school with full delegation provides support to another school.
<table>
<thead>
<tr>
<th>Action</th>
<th>By Whom</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selection of A&amp;E</td>
<td>Campus &amp; Board of Trustees</td>
<td></td>
</tr>
<tr>
<td>Design Fee Negotiation</td>
<td>Campus with participation and approval of SC</td>
<td></td>
</tr>
<tr>
<td>Design Agreement</td>
<td>Campus; cc: SC</td>
<td></td>
</tr>
<tr>
<td>Design Review</td>
<td>Campus and SC</td>
<td>SC may wish to attend all, but must attend at least one review meeting</td>
</tr>
<tr>
<td>Advertise for Construction</td>
<td>Campus and SC</td>
<td></td>
</tr>
<tr>
<td>Bid Opening</td>
<td>Campus with SC</td>
<td>SC to perform same function as State Construction Office</td>
</tr>
<tr>
<td>Construction Contract Award</td>
<td>GA approve recommendation by campus; signed by campus; cc: SC</td>
<td></td>
</tr>
<tr>
<td>Preconstruction Conference/NTP</td>
<td>Campus with attendance by SC</td>
<td>usually conducted by designer</td>
</tr>
<tr>
<td>Work in Progress</td>
<td>Campus/SC</td>
<td>SC participate as requested – at least once per month</td>
</tr>
<tr>
<td>Change Order</td>
<td>Campus; with approval from SC</td>
<td></td>
</tr>
<tr>
<td>Final Inspection</td>
<td>Campus/SC/Other State agencies as appropriate (but not State Construction Office)</td>
<td></td>
</tr>
<tr>
<td>Disputes</td>
<td>SC attempts resolution and escalates to GA as needed</td>
<td></td>
</tr>
<tr>
<td>Final Acceptance and Close-Out</td>
<td>Campus and Board of Trustees</td>
<td></td>
</tr>
</tbody>
</table>

**E. Operation/Support Plan:** It is requested that each supporting and supported campus jointly develop a plan for implementation of these *Guidelines*. The plan should be brief, but should describe the method by which the supporting campus is to provide support. The framework of the plan should be the minimum
criteria for delegation forwarded as Attachment 1 to the Guidelines. The plan should include but not be limited to the following:

- title and qualification(s) of individual(s) designated to provide support
- designation of supported campus individual who will be the contact person
- designation of individual(s) qualified to act as decision-maker at bid opening
- designation of individual authorized to sign contracts and to approve progress payments
- determination of how decision to employ consultants is made
- designation of person(s) authorized to commit university on final inspection
- any other pertinent information

Following joint development and approval by the supporting and supported campus, a copy of the plan should be forwarded to General Administration with revised plans submitted as any changes occur.

F. Relationship with North Carolina "State Construction Manual:" The North Carolina "State Construction Manual" continues to be applicable to projects assigned to the Board of Governors, except where it conflicts with these guidelines. It is intended that “Board of Governors” be generally substituted for “Office of State Construction” wherever it appears in the "State Construction Manual" for projects within the scope of these guidelines, except for dispute resolution and approval of initial project cost estimates. In the event that interpretation of these guidelines or their relationship to the North Carolina "State Construction Manual" is necessary, the conflict should be referred to
General Administration (Associate Vice President-Finance and Property Officer) for resolution.

G. Vocabulary: Where the word “owner” appears in this document, it is intended that this means a constituent university or affiliate (campus) of The University of North Carolina. Also, wherever the terms “registered architect” or “registered engineer” are used, the registration is presumed to be in North Carolina.

II. PROJECT FUNDING AUTHORIZATION

A. Use of Form OC-25: Construction cost estimates approved by the State Construction Office are used in the budget process for requesting capital improvement funds. These estimates will continue to be approved by the State Construction Office in compliance with budget instructions as issued by the Office of State Budget and Management and General Administration.

B. Funding Authorization: Funding for capital improvement projects will continue to be allocated to General Administration for further distribution to universities. A code and item number will be assigned for each capital improvement project by General Administration.

C. Financial Responsibility: The financial responsibility for capital improvements projects will rest with the university sponsoring the capital improvement project and to whom the capital improvement funds have been assigned. The supporting university’s role is one of lending assistance to achieve functional capability and of functional oversight. Guidance to the supported school may generally be provided orally, however, in the event of disagreements, the supporting school has a responsibility to advise General Administration.
(Associate Vice President-Finance and Property Officer) in writing of the problem(s) and recommended solution(s).

III. SELECTION OF DESIGNER

A. Advertisement: When a university has project funding authority and is prepared to commence the designer selection process, the university must submit an advertisement via the electronic submission mechanism available at http://northcarolina.edu/content.php/apps/finance/vendors/add_page.php for posting on the UNC and State Interactive Purchasing System web sites (see Attachment 2). Initiation of this request signifies that the university is certain that funds are available and that the project has the appropriate approvals. The same system will be used to report awards of design contracts. For award of design contracts, institutions will include all required data including project cost, design fee, and the top three design firms selected in their priority order. For advertisement for construction contract bids, institutions will include all required data including project location, title, designer, bid date, and location at which contract plans and specifications can be obtained. The same web vehicle referenced above is used for these advertisements, as well as prequalifying contractors, soliciting bids from prequalified firms, soliciting CM at Risk firms, and posting public meeting notices for preferred alternates under G.S. 133-3.

B. Timing of Selection: The Legislature has imposed a 60-day time limit from funding authorization to selection of designer (G.S. 143-135.26). All campuses should take steps to assure that these limits are met.
C. Designer Selection: The University selects designers in accordance with rules submitted to and approved by the State Building Commission (see Attachment 3). Boards of Trustees at campuses have final approval authority for selection of designers as delegated by the Board of Governors. Boards of Trustees are encouraged to adopt procedural steps or delegations of authority to campus administrators to expedite designer selection and to approve selections on a timely basis to assure that projects proceed expeditiously.

IV. NEGOTIATION OF DESIGN FEE and DESIGN AGREEMENT

A. Negotiation of Design Fee: The university wishing to negotiate a design fee must be represented by a registered architect or professional engineer. If the owner (university) does not have the required staff, the supporting school, having the required capability, will negotiate the fee with the designer. In this case, the supported school will provide the supporting school with a copy of the OC-25 and any other appropriate information concerning the project. The fee, scope of services, and project design schedule must have concurrence of owner, supporting campus, and designer.

B. Negotiation Process:

1. Scope Meeting – Meet with selected designer to review detailed scope:
   a. project overview (scope) including size (square feet, new or renovation, infrastructure, etc.), complexity, unique characteristics and constraints
   b. level of design required (advance/preliminary, schematic, design development, construction documents, anticipated construction administration, and any other special requirements such as preparation of
scale models, filing of permits, impact statements, additional deliverables, etc.) The design agreement must specify the role that the designer is expected to play in fulfilling responsibilities under the "UNC Plan to Increase Utilization of Historically Underutilized Businesses in Construction Projects - May 2002" (Attachment 4).

c. level of design review(s) required – It is mandatory that emphasis be placed on the fact that the designer will be held accountable for the design product in accordance with the terms of the design agreement. The designer should be apprised of the fact that the owner will not conduct in-depth technical reviews.

d. level of estimate review(s) required

e. coordination of design reviews with Department of Insurance, Department of Labor, Department of Environmental Health and Natural Resources, etc. Note that delegated authority for the administration of design and construction of capital improvement projects does not eliminate the requirements for other State agency reviews.

f. level of construction administration required

2. Design Proposal – Request that designer submit a design proposal within seven working days of this meeting. The proposal is to include:

a. the proposed project schedule

b. the proposed fee and payment schedule based on the level of services required

c. consultants proposed for the project
3. Fee Assessment – Evaluate proposed fee in light of standards, experience, and project-specific requirements. Revisit fee proposal with designer as needed, until agreement is achieved. If successful fee negotiation cannot take place, the institution is authorized to cease negotiations and enter into negotiations with the next priority firm selected on basis of qualifications.

4. Contract – Complete standard form contract for signature first, by designer, then by a representative of the institution being served.

C. Preparation of Design Agreement: The design agreement shall be prepared by the owner, forwarded to designer for signature, and reviewed by supporting campus registered architect or engineer as appropriate. The agreement shall be signed by a representative of owner authorized to sign for the campus. A design contract will not be prepared for any project which has not been previously approved by the General Assembly or the Office of State Budget and Management. An exception is that an open-end design agreement may be signed, but individual projects negotiated under this type of contract must have the appropriate approvals. Please see Attachment 5.

D. Time Targets: The design agreement shall include targets for elapsed time for the various reviews by State agencies. The negotiation between owner and designer will outline necessary reviews.

E. Special Procedures for Emergency Projects: Section 109.5 of the North Carolina State Construction Manual provides guidance for selection of designers under emergency conditions based on general statute and State Building Commission rules as documented in the N.C. Administrative Code Section
30D.0302(e) as follows, modified to reflect the application of these procedures in the UNC setting:

Special Procedures for Emergency Projects: On occasion emergency design or consultation services may be required for restoration or correction of a facility condition which by its nature poses a significant hazard to persons or property, or when an emergency exists. Should this situation occur, in all likelihood there will not be sufficient time to follow the normal procedures described in this Rule. On these rare occasions, the Chancellor, in consultation with the capital projects coordinator may declare an emergency, notify the General Administration (Associate Vice President-Finance and Property Officer) and supporting school as applicable and then obtain the services of a competent designer for consultation or design of the corrective action. In all cases, such uses of these emergency powers will involve a written description of the condition and rationale for employing this special authority signed by the Chancellor and presented to the SBC at its next normal meeting. Timeliness for obligation of funds or other non-hazardous or non-emergency situations do not constitute sufficient grounds for invoking this special authority.

F. Planning Studies: The initial bill delegating capital project authority to the Board of Governors (SB 862, 1997 Session) reserved the authority for the Department of Administration (State Construction Office) “to prepare preliminary studies and cost estimates and otherwise to assist all agencies in the preparation of requests for appropriations for the construction or renovation of all State buildings.” If a campus requires a study after a project has been funded, it should follow the process for selection of designers as outlined in Attachment 3 for major or minor projects. The following guidance is also offered:

1. The State Construction Office will continue to approve forms OC-25 “Proposed Capital Improvement Project” which becomes the cost estimate for individual projects.
2. When advertising for designers to perform special studies, it is suggested that the specific language in the designer advertisement include the phrase “to perform study (for whatever subject) and later design at owner option.”

3. The form of letter contract for planning studies should include the elements shown in Attachment 6.

V. DESIGN REVIEW

A. Relationship with State Reviewing Agencies: The planning procedures related to design and construction of capital improvement projects are outlined in Chapter 200 of the *North Carolina State Construction Manual*, except that for projects under $2,000,000, the controlling agency is the Board of Governors of The University of North Carolina or its designees.

B. Technical Review by Designer: Each architect or engineer performing work for a university will be advised that the university will not perform an in-depth review of plans and specifications as a plan-check to insure coordination, quality, or accuracy of plans. The designer will be expected to produce a technically accurate set of plans and specifications that can be bid without intervention by the owner. A review by the owner will be performed to assure that the owner’s needs are met by the project.

The designer is responsible for obtaining review comments in accordance with Section 202 of *North Carolina State Construction Manual*. Approval from all agencies exercising control over any part of the construction planning process must be delivered to the designer and verified by owner prior to setting a bid date.
C. User Review by Campuses: Campuses will review plans and specifications for usability, maintenance, compatibility with existing conditions, and conformance with the program and budget.

D. Design Criteria: The design criteria and policies outlined in Section 300 of the North Carolina State Construction Manual are applicable.

E. Minority Business Enterprise: G.S. 143-128 requires (in part) that the state have a verifiable ten percent (10%) goal for participation of minority businesses in the total value of work for each building project over $100,000. The Office of State Construction, as the awarding authority for all state projects (except highways and bridges), established a program to meet this goal. General Administration, as the awarding authority for all university projects at or below $2,000,000, has adopted a similar program. All documentation previously provided to the Office of State Construction during the award process will be provided to General Administration (see SCO website http://www.nc-sco.com, under "Forms" "Minority Business Participation Forms" for these documents). This documentation will include:

1. A certificate indicating that either all work is self-performed or the percentage of minority participation if all work is not self-performed.

2. Evidence of the good faith effort made to recruit minority participation if the level of participation proposed is less than 10 percent.

Guidelines for recruitment and selection of minority business for participation in State Construction contracts are enclosed as Attachment 7. Please note the responsibilities of the owner and the contractor. The owner is responsible to
insure that all tasks assigned to the owner and the contract bidders are fulfilled. Individual campuses certify that the procedural provisions of the MBE program have been followed and that good faith efforts to contact and recruit minority business firms have been exercised in recommending contract award(s) and in the completion of a certification letter (Attachment 8) accompanying that recommendation.

F. Bid Guidance: An explanation of contracting methods and opening requirements is included in the *North Carolina State Construction Manual*, Section 400. Owners and designers should be familiar with the requirements and comply with them at all bid openings.

VI. ADVERTISING FOR CONSTRUCTION BIDS

A. When a designer has obtained all necessary approvals, and prior to advertising, the designer will consult the State of North Carolina Interactive Purchasing System to review bid opening dates for potential conflicts in dates and identify an opportune opening date. When the date is firm, the designer with concurrence of owner will advertise in accordance with Section 405 of the *North Carolina State Construction Manual*. The owner will submit advertisements electronically for web postings (see Attachment 2).

B. Supporting Campus: The owner will obtain concurrence of the supporting school before advertising the project.
VII. BID OPENING, EVALUATION OF BIDS, AWARD

RECOMMENDATION

A. Bid Opening: At the approved time and place, the designer will open bids in accordance with Section 406 of the North Carolina State Construction Manual. An owner representative or supporting campus representative as appropriate who is certified as a Capital Projects Coordinator will be present at bid openings and prepared to respond to any questions raised by bidders or potential bidders.

B. Evaluation of Bids:

1. Bids Within Funds Available – The bids may be within funds available. In this case, the owner will forward the bid tabulation certified by the designer to General Administration (Associate Vice President-Finance and Property Officer) certifying that all requirements of the guidelines (including the MBE program) and the North Carolina State Construction Manual have been met, and recommending that the contract be awarded. A completed HUB certification (Attachment 8) shall be included with the award recommendation.

2. Bids Exceed Funds Available – The owner has several options in this event:
   a. The owner may reject all bids and require the designer to redesign and rebid the project. This option will usually be elected when bids significantly exceed funds available and negotiation appears impractical.
   b. The owner may negotiate with the low responsible, responsive bidder in order to bring the contracted work within the funding available. If the low bid exceeds funds available and the owner wishes to negotiate to bring
the bid within funds available, the owner will forward recommendation
and supporting data to General Administration (Associate Vice President-
Finance and Property Officer) prior to negotiation. Time is of the essence
so that such recommendation must be forwarded in no more than seven
working days following bid opening. General Administration will respond
within five working days of receipt of recommendation. Generally
speaking, negotiations beyond 10-15% of the bid amount are impractical.
c. If the award recommendation involves negotiation with the low
responsible, responsive bidder, the supporting data for award should
include signed documentation by the contractor(s) agreeing to the
modified price for the work in sufficient detail to permit evaluation to be
made of the value to the State for reduction of the work. Only under rare,
compelling circumstances will such award recommendations incorporate
additive bid alternates.
d. In all cases, the project must be functional for its purpose if an award
recommendation is made.

C. Award Recommendation: If the bid of the lowest responsible, responsive
bidder is deemed to be valid by the owner and/or deduction or a negotiation has
been completed to bring the project within funds available, the owner will
recommend to General Administration the award of a construction contract to
the successful bidder. Appropriate MBE documentation will accompany the
award recommendation. A copy of recommendation will be forwarded to
supporting school if applicable.
D. Award: General Administration will evaluate the bids, obtain necessary approval from Office of State Budget and Management as to availability of funds, and render a decision concerning the award of the contract. Approval may be in writing or by telephone. In the event of telephone approval, the General Administration official (Associate Vice President-Finance and Property Officer) will note on a copy of the award letter the following: Approved by (official) on (date) and signed by (General Administration official).

E. Preparation of Contract: After the award has been approved, the designer or owner will prepare the documents as outlined by Section 407 of North Carolina State Construction Manual and obtain signature of contractor. The designer will then forward the contracts to the owner, whose representative is authorized to commit the campus. The owner, in turn, will sign the contracts and submit them to their University Attorney for approval as to form. The University Attorney of the supporting campus will fulfill this role if the institution does not have an attorney employed. Inasmuch as the Office of State Budget has already approved the award, there is no need to submit contracts to that office. The owner will distribute copies to the appropriate parties. A construction contract document checklist is included herein as Attachment 9 for use in assuring that documentation is complete. General conditions, construction contract documents, and related relevant documents used under the UNC delegation are the same as the State version of these documents with minor changes reflecting UNC's role in lieu of the State Construction Office. See Attachments 10
(Instructions to Bidders and General Conditions), 11 (Form of Proposal) and 12 (Form of Construction Contract) for the UNC versions.

F. **Emergency Construction:** Public Law §143-129 states that an exception to public bidding may be made in cases of special emergency involving the health and safety of the people or their property.

The meaning of the word “emergency” within this exception is not susceptible to precise definition and each case must stand upon its own merits as to the emergency nature of the work. The emergency definition and application of G.S. 143-129 should be rare and not used as a remedy for the lack of timely management attention to correction of a problem. In any event, the term “emergency” connotes an immediate and present condition, and not one which may or may not arise in the future, or one that is apt to arise or may be expected to arise.

In the event that such an emergency occurs, the university must do what is necessary to protect health and safety and advise General Administration as soon as possible for further guidance. The authority to exercise such judgment resides with the chancellor of the institution. Declaration of an emergency and use of emergency contracting procedures while residing with the institutional chancellor, does not absolve the chancellor from fiscal responsibility for such action. In most cases, it would appear appropriate for consultation to take place between institutional management and UNC-General Administration to address the financial implications of decisions concerning emergency actions. Under any circumstance, a full report concerning the emergency action taken, long term
implications of the action, preventive measures, and financial implications of the
decision should be submitted by the institutional chancellor to the President of
The University at the earliest practicable date.

VIII. PRECONSTRUCTION MEETING

The designer will obtain concurrence of owner for time and place of the pre-
construction conference and will advise all parties. In the event that a
supporting school is assigned, a representative who is certified as a Capital
Projects Coordinator will be present. A starting date will not be scheduled until
all contracts have been approved and distributed. The designer may issue a
Notice to Proceed when advised by the owner. A Notice to Proceed may not be
issued under any circumstances, except emergency (see above) in the absence of
an award authorization letter from General Administration.

IX. CONSTRUCTION ADMINISTRATION

A. Progress Meetings: Designer shall establish a schedule of progress meetings
at the job site in accordance with Section 505 of North State Carolina
Construction Manual. The frequency of meetings will have been set in special
conditions of contract and may be revised by owner depending on progress and
nature of the work. Minutes of the meeting will be kept by the designer and
distributed to all parties. A supporting school representative will be present as
requested by the supported school, but should attend at least two meetings
during the course of the contract.

B. Change Orders: Designer shall issue change orders in accordance with Section
505.1.G of the North Carolina State Construction Manual, except that copies will
be retained by the campus and provided to the supporting campus as appropriate. Change order approval will rest with the owner/supporting campus. The supporting school assumes no financial responsibility for change orders, however, the supporting school will approve by letter or fax, separate from the change order itself. This communication will state that the work involved is technically sound, the estimate of cost is fair and reasonable, and that the change is within the scope of the contract. In the event that there is disagreement between supported school and supporting school, the matter will be referred to General Administration. It is emphasized that a change order constitutes a formal revision to the scope of work and financial terms of the contract. As such, extreme care must be exercised to ensure that the revised terms of the agreement reflect appropriate value for funds authorized and are in keeping with the intent of the project. The cumulative value of change orders should represent only a small percentage of the value of the original contract award.

C. Legal Advice: In the event that legal advice is required in any phase of the work, the owner’s attorney should be consulted or the University Attorney of the supporting campus if the supported campus does not have an attorney employed. The attorney may contact the Office of the Attorney General, Property Control Section for further advice, if needed.

X. DISPUTES

A. Designer/Owner: When there is a dispute regarding interpretation of the contract document and the contractor claims that he is due additional
compensation, the designer will attempt to resolve the issue. If the designer is unable to resolve the issue, the owner and supporting campus, as applicable, will conduct an informal hearing and render a decision. General Administration will be notified of the hearing and its outcome and the dispute escalated to General Administration for decision if needed.

XI. FINAL INSPECTION/ACCEPTANCE

A. Final Inspection: Upon notification by the contractor that a project is complete, the designer will conduct a preliminary final inspection of the project to verify completion. When the contractor has corrected all punch list items, the designer will arrange a final inspection with owner, supporting campus, and others listed in Section 505.4.B of the North Carolina State Construction Manual except that references to State Construction Office are deleted. See also G.S. 133-1.1(d) which requires involvement of the State Electrical Inspector. Certificate of Compliance and of Completion will be prepared by the designer in accordance with the North Carolina State Construction Manual.

B. Acceptance: The Boards of Trustees of individual campuses are charged with the responsibility of accepting projects performed by contract. Boards may approve acceptance by a report from the university chancellor or his designee, or may delegate acceptance to the chancellor.

XII. EVALUATIONS

Designer and contractor evaluations will continue to be forwarded to the State Construction Office for these projects with ratings entered in the UNC "CAPSTAT" capital project status system. The evaluations will be prepared by the owner in
accordance with rules established by the State Building Commission. Ratings entered into CAPSTAT for contractor evaluations will be as follows: 5=Highest performance, certificate of merit level, 3=Acceptable, 1=Less than 3, a hearing will be convened.

XIII. DESIGN CRITERIA AND POLICIES

The design criteria and policies outlined in the *North Carolina State Construction Manual* are applicable except when the State Construction Office is mentioned. In instances where State Construction Office approval is required, the General Administration of The University of North Carolina will be the agency authorized.

XIV. USE OF FORMS, DESIGN AGREEMENTS, CONSTRUCTION CONTRACTS, BID BONDS, PERFORMANCE BONDS, ETC.

The forms outlined in the *North Carolina State Construction Manual* are generally applicable, but have been modified to reflect the delegations outlined in these guidelines. See in particular Attachments 5, 7, 10, 11, 12 and 13. Other forms include bid bonds, performance bonds, and payment bonds as shown in the *North Carolina State Construction Manual*. 