



1111 Franklin Street  
Oakland, California 94607-5200  
Phone: (510) 987-9074  
Fax: (510) 987-9086  
<http://www.ucop.edu>

October 22, 2012

CHANCELLOR BLOCK

Dear Gene:

The Pilot Phase of Process Redesign for Capital Improvement Projects (Delegated Process) was initiated in September 2008. Since that time, the University has approved 61 projects under the Delegated Process. Under the Delegated Process, action delegated to you includes: (i) for non-State-funded capital projects approval of budget and design following action pursuant to California Environmental Quality Act (CEQA); and (ii) for State-funded projects approval of design (only) following action pursuant to CEQA.

Campus and Office of the President (UCOP) staff have discussed streamlining this process further. I am now pleased to offer you an option to delegate to your representative on the Office of the President/Campus Capital Program Leadership Forum the execution of a *Delegated-Authority Project: Certification Checklist* for use in the Delegated Process. The campus forum representative is the designee who is vested with the authority for the campus' capital program and has the ability to speak on your behalf. Currently, you have designated Vice Chancellor Steve Olsen as the senior official representing your campus on the forum. Campuses with a medical center may designate an additional representative for the forum but only your designated campus official may sign the checklist.

The current Delegated Process requires that the campus prepares a *Delegated-Authority Project: Certification Checklist* (Checklist), which is executed by you and attests that the project is consistent with your campus' accepted Capital Financial Plan and Physical Design Framework, and approved Long Range Development Plan. Your office submits the Checklist and associated documentation, which includes a draft *Chancellor Action Item*, to UCOP. Following UCOP review of the submittal, the campus is notified that the *Action Item* approving the budget and design is ready for your signature. Currently, your signature is required twice in the process, once for the Checklist submittal and again a few weeks later for the *Action Item* approval.

Chancellor Block  
October 22, 2012  
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Under this new option, the campus submits the Checklist under the forum member's signature, which attests to consistency with campus plans. UCOP reviews the material and notifies the campus that the *Action Item* is ready for your signature. With the delegation of the Checklist, your signature would only be required once, at the end of the process, for the *Action Item* (noting that under Presidential Delegation of Authority DA 2219 and DA 2230, your authority to approve budget and design cannot be redelegated).

I anticipate the next forum tele-meeting will be held on December 14, from 9:00 a.m.-12:00 p.m. If you desire any additional information regarding the forum or the Delegated Process, please be in touch with Vice President Lenz (Patrick.Lenz@ucop.edu) or Associate Vice President Wylie (Deborah.Wylie@ucop.edu).

With best wishes, I am,

Sincerely yours,



Mark G. Yudof  
President

#### Attachments

cc: Executive Vice President Brostrom  
Executive Vice President Taylor  
Senior Vice President Vacca  
General Counsel Robinson  
Vice President Lenz  
Associate Vice President Wylie  
Universitywide Policy Office

SAMPLE DELEGATION

[date]

[INSERT POSITION]

**Delegation of Authority – Office of the President/Campus Capital Program Leadership Forum Representative, and Signature Attestation and Submission of the Delegated Authority: Project Certification Checklist**

References: President Yudof's letter of [mm/dd/yyyy]

Supersedes: New

I am appointing you, in your position as [insert position] to be the campus representative to the OP/Campus Capital Program Leadership Forum. As the Forum representative, your position is vested with the authority for the capital program and has the ability to speak on my behalf.

As denoted in the President's letter of [mm/dd/yyyy] (copy attached), for those capital projects to be approved under the Pilot Phase of Process Redesign for Capital Improvement Projects, I attest that a project to be submitted for review by the Office of the President is consistent with our campus's accepted Capital Financial Plan and Physical Design Framework, and approved Long Range Development Plan. Effective immediately I delegate to your position as the campus Forum representative, the authority to execute the attestation and submit the *Delegated Authority: Project Certification Checklist* with its accompanying documentation to the Office of the President. This authority may not be further delegated.

This authority does not include the authority to approve budget, design and CEQA for these delegated projects.

[name]  
Chancellor

- cc: Senior Campus Officials (VC Admin, Campus Architect, Capital Planning, Budget & Planning, etc.)  
Executive Vice President Brostrom  
Executive Vice President Taylor  
Vice President and General Counsel Robinson  
Vice President Lenz  
Associate Vice President Wylie
- bcc: Executive Director Kim  
Deputy to the Vice President Sato  
Executive Director Thomas  
Director Kniazewycz

- Draft unsigned checklist (consultation phase)
- Final signed checklist (Chancellor has attested prior to submitting to UCOP)

## DELEGATED-AUTHORITY PROJECT: CERTIFICATION CHECKLIST MAJOR CAPITAL IMPROVEMENTS, UNIVERSITY OF CALIFORNIA

1. GENERAL PROJECT INFORMATION	
<b>a. Campus:</b>	[Enter campus.]
<b>b. Project Name:</b>	[Enter name.]
<b>c. Project Number:</b>	[Enter number.]
<b>d. Project Budget:</b>	[Enter cost.]
<b>e. Proposed Approvals and Supporting Actions:</b> (check all that apply)	<input type="checkbox"/> Budget (applies to Non-State projects only) <input type="checkbox"/> External Financing (complete <i>Attachment 2, Summary of Financial Feasibility</i> ) <input type="checkbox"/> Design (refer to: Regents Policy 8102: <i>Policy on Approval of Design, Long Range Development Plans, and the Administration of the California Environmental Quality Act</i> ) <input type="checkbox"/> Supporting CEQA action (complete <i>Attachment 1, CEQA Compliance Submittal Documentation</i> )
<b>f. Chancellor's Action Item</b>	<input type="checkbox"/> Unsigned draft attached
<b>g. UC Approvals Chancellor-Delegated Actions: Past &amp; Future</b>	[List dates of past actions and timing of future delegated actions necessary to fully implement the project]
<b>h. Other UC Approvals : Past &amp; Future</b>	[List dates of past actions and timing of future UC approvals necessary to fully implement the project (e.g. ground lease, donor/gift agreements, LRDP Amendment, etc.)]
<b>i. Attach documentation that demonstrates the:</b> <ul style="list-style-type: none"> <li style="width: 50%;">• Need being addressed</li> <li style="width: 50%;">• Program description and justification</li> <li style="width: 50%;">• Project scope</li> <li style="width: 50%;">• Capital Improvement Budget (CIB)</li> <li style="width: 50%;">• Schedule</li> <li style="width: 50%;">• Planning and review process</li> </ul>	
2. CONSISTENCY WITH CAMPUS PLANS <i>Campus shall retain, in project files, the specific documentation that was relied upon in the Chancellor's determination that the project is consistent with referenced Campus Plans.</i>	
<b>a. Capital Financial Plan</b> (check one, and complete as appropriate): <input type="checkbox"/> The proposed project is consistent with the [date] <b>Consolidated State and Non-State Capital Financial Plan</b> accepted by the Regents in [Month/Year] . [Briefly demonstrate consistency.] <input type="checkbox"/> Consistency with the [date] <b>Consolidated State and Non-State Capital Financial Plan</b> is not relevant to this submittal because the current Proposed Approvals do not include budget approval or external financing.	
<b>b. Physical Design Framework</b> (check one, and complete as appropriate): <input type="checkbox"/> The proposed project is consistent with the planning and design guidelines in the <b>Physical Design Framework</b> accepted by the Regents in [date] . [Briefly explain and include design graphics relied upon by the Chancellor to support consistency. ] <input type="checkbox"/> Consistency with the <b>Physical Design Framework</b> is not relevant to this submittal because the current Proposed Approvals do not include design approval.	
<b>c. Long Range Development Plan</b> (check one, and complete as appropriate): <input type="checkbox"/> The proposed project is consistent with the applicable land use designation of [enter designation] in the [title/date] <b>Long Range Development Plan</b> approved by the Regents in [date] .	

**2. CONSISTENCY WITH CAMPUS PLANS** *Campus shall retain, in project files, the specific documentation that was relied upon in the Chancellor's determination that the project is consistent with referenced Campus Plans.*

- The proposed project is not consistent with the applicable land use designation in the [title/date] **Long Range Development Plan (LRDP)**. [Projects that require an LRDP amendment are not eligible to be processed as a Delegated-Authority project.]

**3. CONSISTENCY WITH SELECTED UNIVERSITY & REGENTAL POLICIES/CEQA**

**a. Business Case Analysis:**

- Chancellor approved: [Enter date.]  
 Not applicable because the proposed action is not a budget action, the project budget is under \$10 million and/or is an infrastructure project.

**b. California Environmental Quality Act (CEQA):**

- The proposed action is subject to the CEQA. *Attachment 1, CEQA Compliance Submittal Documentation* is completed.  
 The proposed action is not subject to the CEQA. [Briefly explain why action is not subject to CEQA. Delegated budget actions are not subject to CEQA.]

**c. Independent Design and Cost Review of Building Plans:**

- Complies. Date of Design Review: [Enter date.]  Not applicable—budget action only.

**d. Sustainable Practices:**

- Complies.  LEED™ applies. Target LEED™ Level: [Enter Level.]  
 LEED™ is not applicable. [Briefly explain.]  
 Not applicable—budget action only

**e. Independent Seismic Review of Capital Projects:**

- Complies.  
 Not applicable—no structural work.  Not applicable—budget action only.

**f. Value Engineering**

- Complies. SD review date: [Enter date.] DD review date: [Enter date.]  
 Not applicable—project budget is under \$5 million.  Not applicable—budget action only.

**g. University Controlled Insurance Program (UCIP):**

- Not applicable because the estimated construction value (subs 0, 1, 2 and 4) is under \$25 million.  
 This project is subject to and will comply with the UCIP program.

**h. [Other relevant policies, if any (e.g. Gift Policy, Student Fee Policy)]:**

- Yes.  Not applicable or seeking exception to Policy.  No.  
[If "not applicable" or "no", briefly explain.]

- i.  Under Regental policy, this project does not involve matters of special interest such as budget matters, fundraising activities, environmental impacts, community concerns, or other reasons that merit review and approval by the Regents.

**4. EXTERNAL FINANCING AND/OR STANDBY/INTERIM FINANCING (check all that apply)**

- a.  Project has external financing previously approved: [Enter date and approving office.]
- b. Project has proposed financing:  
 External financing, *Attachment 2: Summary and Section 1* are completed.  
 Standby/Interim financing, *Attachment 2: Summary, Sections 2 and 3* are completed.
- c.  Updated Debt Affordability Model is attached or was provided to Capital Markets Finance on [Enter date].

**4. EXTERNAL FINANCING AND/OR STANDBY/INTERIM FINANCING (check all that apply)**

- d.  Drawdown schedule for all financing (external, standby/interim) is attached.
- e.  After the financing (external, standby/interim) has been approved, the campus/medical center will submit the *Schedule A* or the *Declaration of Official Intent to Reimburse Certain Expenditures from Proceeds of Taxable or Tax-Exempt Indebtedness* to Capital Markets Finance.

**RESPONSIBLE CAMPUS OFFICER AFFIRMATION:**

*As the single Chancellor-designee who has been delegated authority to execute this Certification Checklist, I have determined, based on reasonable due diligence, and hereby affirm that: the project named in this document is consistent with the applicable Campus Plans as identified in Section 2 and otherwise meets the criteria for a delegated-authority project under the guidelines for the Pilot phase of the Delegated Process for Capital Improvement Projects; the project adheres to all applicable laws, regulations, and University of California policies including, when applicable, the California Environmental Quality Act; and to the best of my knowledge, the documentation and representations in the attachments are true and correct.*

\_\_\_\_\_  
Chancellor [Enter name with original signature above.]

\_\_\_\_\_  
date

\_\_\_\_\_  
Sole Designated Official per chancellor's letter dated  
[mm/dd/yy]  
[Enter name with original signature above.]

\_\_\_\_\_  
date

**DELEGATED-AUTHORITY PROJECT: CERTIFICATION CHECKLIST  
REQUIRED REVIEWS**

<b>Campus:</b>	[Enter campus.]
<b>Project Name:</b>	[Enter name.]
<b>Project Number:</b>	[Enter number.]

**GENERAL COUNSEL – CEQA**

Check one:

- Refer to separate, privileged communication from Office of General Counsel.
- Not applicable

**CAPITAL MARKETS FINANCE**

Check one:

- Review of external financing is complete.
- Not applicable for the proposed action(s). (Sign-off by Capital Markets Finance is not required.)

\_\_\_\_\_ date  
Executive Director, Capital Markets Finance

**EXECUTIVE VICE PRESIDENT, BUSINESS OPERATIONS<sup>1</sup>**

Check one:

- No Regental review is required.
- Regental Review is required.

\_\_\_\_\_ date  
Executive Vice President, Business Operations

<sup>1</sup> For additional information, refer to Budget and Capital Resources' Staff Report of Findings.

**DELEGATED-AUTHORITY PROJECT: CERTIFICATION CHECKLIST**  
**ATTACHMENT 1: CEQA COMPLIANCE SUBMITTAL DOCUMENTATION**

Attachment 1  is/ is not applicable and is not provided at this time

<b>Campus:</b>	[Enter campus.]
<b>Project Name:</b>	[Enter name.]
<b>Project Number:</b>	[Enter number.]

CHECKLIST ITEMS	SUBMITTAL PACKAGE CONTENTS (check all that apply)
<b>1. Project Description</b>	<u>Documentation</u> (cite document and page numbers for each of these items) <input type="checkbox"/> Location: Provide Map. [page # or N/A] <input type="checkbox"/> Square Footage: Provide GSF. [page # or N/A] <input type="checkbox"/> Project use: Describe project facilities and associated activities in project. [page # or N/A] (e.g. surge buildings, utility extensions, relocation of existing occupants, demolition)
<b>2. Does the project require discretionary approval(s) from a CEQA responsible agency?</b> (check one) <input type="checkbox"/> Yes → <input type="checkbox"/> No (proceed to #3)	<u>Documentation, if applicable</u> (cite page numbers for each of these items) <input type="checkbox"/> Provide list of Responsible Agency approval(s) required. [page # or N/A] (e.g., California Coastal Commission, U.S. Army Corps of Engineers, CalFire, California Department of Fish & Game, U.S. Fish & Wildlife Service, etc.) <input type="checkbox"/> Indicate status of application(s). [page # or N/A] <input type="checkbox"/> Indicate anticipated timing of Responsible Agency approval. [page # or N/A]
<b>3. CEQA Compliance Documentation is attached.</b>	<u>Documentation</u> (check all applicable boxes, electronically attach all applicable documents, and cite page numbers as appropriate) <input type="checkbox"/> EIC form signed by UCOP <input type="checkbox"/> All CEQA notices for the project. (e.g., NOP, NOA, NOC, and draft NOD or draft NOE) <input type="checkbox"/> Draft public notification of the pending delegated approval. <sup>2</sup> [attach or refer to website] <input type="checkbox"/> LRDP conformance analysis within CEQA documentation. [page # or N/A] <input type="checkbox"/> Final environmental documentation (including public drafts and RTC if applicable): <input type="checkbox"/> FEIR: [title, SCH#, and date] <input type="checkbox"/> MND/ND: [title, SCH#, and date] <input type="checkbox"/> Addendum: [cite date of addendum, and identify previously certified EIR or adopted MND/ND by title, SCH#, and date] <input type="checkbox"/> Tiered documentation reference: [title, SCH#, and date certified] <input type="checkbox"/> Documentation of Categorical Exemption <sup>3</sup> <input type="checkbox"/> Public scoping meeting date for EIRs: [date or N/A] <input type="checkbox"/> Public hearing date for EIRs: [date or N/A] <input type="checkbox"/> Mitigation Monitoring & Reporting Program (MMRP) [Page # or N/A] <input type="checkbox"/> Findings [attached or N/A]

<sup>2</sup> The campus is required to provide public notice of the proposed delegated approval of the project and the availability of the final environmental documents, and must post the environmental documents on its website, at least 15 days in advance of the action to approve the project.

<sup>3</sup> "Documentation of Categorical Exemption" is where campus planning records the project description and demonstrates why the project qualifies for the exemption. "Documentation of Categorical Exemption" should always include the EIC plus explanatory text in the approval item's environmental summary section, and may also need to include a "Memo to the File".



CAMPUS FINANCING BENCHMARKS		
Measure	10 Year Projections	Approval Threshold
Debt Service to Operations	% (max) 20xx (yr)	6.0%
Debt Service Coverage	x (min) 20xx (yr)	1.75x
Expendable Resources to Debt	n/a	1.00x

**SECTION II. Standby Financed Projects (if applicable)**

Approval for Standby and Interim financing is sought in order to bridge the timing difference between project expenditures and receipt of gift or other specified funds.

A summary of the gift campaign is provided below along with a schedule of anticipated gifts and repayment of the financing for the project. Campus will be providing periodic status reports on the gift campaign and collection.

CAMPAIGN SUMMARY	
Cash on Hand	\$
Pledged Gifts	\$
Secondary Repayment Source for Pledged Gifts	
Uncollected Pledge Percentage (%)*	X%
Additional Gifts To be Raised	\$
Total Approved Gift Campaign	\$
Term of Standby Request	

\* Percentage of pledges to the campus which have not been made on schedule over the last ten years. Applicable gift revenue is discounted by this percentage in the Debt Affordability Model which is included in the ratios on the Summary of Financial Feasibility.

FUND SOURCE SUMMARY	
Fund Type	\$
Secondary Source of Repayment	\$
Term of Standby Request	

\*Box above is to be used for standby financing request that is not gift related. Backup information should be provided to Capital Markets Finance on Fund Type.

**SECTION III. Interim Financed Projects (if applicable)**

Interim financing needs to demonstrate a backup repayment source and reflect the appropriate metrics in the campus debt affordability model in either a conversion of interim financing to long-term external financing or assuming that the financing is paid off in a maximum 7-year period with level amortization. The Debt Affordability Model results on the following page will either include the impact of a potential long-term external financing of the Interim financed project or under a 7-year period with level amortization using the assumptions listed on the following page. At project completion, the campus will return for external financing approval if requesting external financing. The gift/other fund source fall short.

FINANCING ASSUMPTIONS FOR CONVERSION OF INTERIM FINANCING TO LONG-TERM EXTERNAL FINANCING	
Anticipated Repayment Source	General Revenues of the [ ] campus
Anticipated Fund Source	
Financial Feasibility Rate	6.00%
First Year of Principal	20XX
Final Maturity (e.g. 20xx)	20XX
Term (e.g. 30 years)	XX years
Estimated Average Annual Debt Service	\$

The metrics used to determine financing feasibility are defined below:

<i>Measure</i>	<i>Definition</i>
<i>Debt Service to Operations (%)</i>	$\frac{\text{Annual Debt Service}}{\text{Total Operating Expenses}}$
<i>Debt Service Coverage (x)</i>	$\frac{\text{Operating Income} + \text{Depreciation} + \text{Interest}}{\text{Annual Debt Service}}$
<i>Expendable Resources to Debt (x)</i>	$\frac{\text{Expendable Financial Resources (unrestricted net assets} + \text{temporarily restricted net assets} - \text{net investment in plant)}}{\text{Total Debt Outstanding}}$