

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1237a Community college and university capital outlay projects.**

Sec. 237a. (1) This section pertains to capital outlay projects for community colleges and universities.

(2) The department shall review documents associated with community college and university capital outlay projects for which an appropriation or other authorization has been made.

(3) The department shall provide architectural and professional engineering review of documents including designs, plans, and change orders at each stage of the project to ensure that the project or facility is in compliance with approved program, appropriation, and capital outlay requirements.

(4) The department shall review the award and selection of architects, professional engineers, construction managers, and other design or construction professional service contractors.

(5) The department shall do all of the following:

(a) Review the construction bid.

(b) Review monthly reports to ensure appropriate construction progress, evaluate change orders, and watch for potential problems.

(c) Respond to college and university requests for assistance on the capital outlay process, contractor issues, and other capital outlay related issues.

(d) Provide for field checks and audits throughout the project in order to meet the trustee requirements of the state building authority.

(6) The department may require that community colleges and universities self-managing construction of a capital outlay project enter into an agreement with the department in which the community college or university agrees to construct the project within the total authorized cost, design, and program scope established by the legislature. This agreement shall include, but is not limited to, certification from the community college or university that the operating costs resulting from the capital outlay project are the responsibility of the community college or university. The agreement may include other requirements as identified by the department that are necessary to complete the project and fulfill the project oversight requirements of this act.

(7) The department retains the authority and fiduciary responsibility normally associated with the prudent maintenance of the public's financial and policy interests relative to the state-financed construction projects managed by a community college or university. The director may take appropriate action to bring the capital outlay project to conclusion if the public's financial and policy interests are in jeopardy and there is a failure on the part of a community college or university to adhere to the requirements of this act. The director shall provide notice to the joint capital outlay subcommittee within 10 days of exercising authority under this subsection.

(8) The department may charge a fee for the services described in this section at a rate not to exceed actual costs.

(9) In the event that a college or university chooses to have the department provide for the complete administration of a capital outlay project, then the provisions of section 237 apply to the project.

(10) Prior to state building authority financing, the department shall provide final review of the capital outlay project to ensure compliance with the authorized program, plans, and specifications.

**History:** Add. 1999, Act 8, Imd. Eff. Mar. 22, 1999;—Am. 2012, Act 430, Imd. Eff. Dec. 21, 2012.

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