

REVISED
09/29/03

DOCKET

BOARD OF VISITORS

University of Virginia

Regular Meeting

October 4, 2003

DOCKET
BOARD OF VISITORS
OCTOBER 4, 2003

CONSENT ITEMS

1. ARCHITECT SELECTION, DRAMA BUILDING ADDITION
AND RENOVATION AT THE COLLEGE AT WISE

RESOLVED that Bushman Dreyfus Architects of Charlottesville, is approved for the performance of architectural and engineering services for the Drama Building Addition and Renovation project at The University of Virginia's College at Wise.

2. APPROVAL OF A PERMANENT EASEMENT FOR VIRGINIA
ELECTRIC AND POWER COMPANY FOR A POWER LINE ON
UNIVERSITY PROPERTY AT THE MILLMONT STREET
TRANSPORTATION BUILDING

RESOLVED that the granting of a permanent easement to Virginia Electric and Power Company for a power line at the Millmont Street Transportation Building on property owned by The Rector and Visitors of the University of Virginia, is approved; and

RESOLVED FURTHER that appropriate officers of the University are authorized to execute said easement.

3. APPROVAL OF PERMANENT EASEMENTS FOR VIRGINIA
ELECTRIC AND POWER COMPANY, SPRINT, ADELPHIA,
AND NTELOS FOR UTILITY LINES ON UNIVERSITY
PROPERTY ON THE WEST SIDE OF EMMET STREET AT
THE EMMET STREET BRIDGE

RESOLVED that the granting of permanent easements to Virginia Electric and Power Company, Sprint, Adelphia, and Ntelos for utility lines on the west side of Emmet Street at the Emmet Street Bridge on property owned by The Rector and Visitors of the University of Virginia, is approved; and

RESOLVED FURTHER that appropriate officers of the University are authorized to execute said easements.

4. APPROVAL OF PERMANENT EASEMENTS FOR VIRGINIA ELECTRIC AND POWER COMPANY AND NTELOS FOR UTILITY LINES ON UNIVERSITY PROPERTY AT THE IVY ROAD ENTRANCE TO THE EMMET STREET PARKING GARAGE

RESOLVED that the granting of permanent easements to Virginia Electric and Power Company and NTelos for utility lines on the north side of Ivy Road at the Emmet Street Parking Garage on property owned by The Rector and Visitors of the University of Virginia, is approved; and

RESOLVED FURTHER that appropriate officers of the University are authorized to execute said easements.

5. APPROVAL OF PERMANENT EASEMENTS FOR THE UNIVERSITY OF VIRGINIA AT THE IVY ROAD - ROTHERY ROAD INTERSECTION ON PROPERTIES ADJACENT TO THE INTERSECTION

RESOLVED that the requests to the owners of the properties adjacent to the Ivy Road - Rothery Road intersection for easements for improvements to the intersection are authorized; and

RESOLVED FURTHER that appropriate officers of the University are authorized to request said easements.

6. CONFLICT OF INTEREST EXEMPTION (MEDICAL PREDICTIVE SCIENCE CORPORATION)

WHEREAS, the University of Virginia wishes to enter into sponsored research contracts with Medical Predictive Science Corporation (MPSC), for developing systems for heart rate variability measurement and analysis; and

WHEREAS, Pamela M. Griffin, M.D., and Randall J. Moorman, M.D., have disclosed in advance their equity

interests of eight percent each, in the Medical Predictive Science Corporation; and

WHEREAS, the University's entry into research agreements with Medical Predictive Science Corporation would thereby expose Drs. Griffin and Moorman to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.2-3106(C) (7) of the Code of Virginia;

RESOLVED that the conflict of interest of Pamela M. Griffin, M.D., and Randall J. Moorman, M.D., is approved by the Board of Visitors in order to permit the University to enter into agreements with Medical Predictive Science Corporation, for research funding for the development of systems for heart rate variability measurement and monitoring; provided, as required by the law, Drs. Griffin and Moorman file the required annual disclosure statement of personal interests in Medical Predictive Science Corporation, the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the relevant department chair vigilantly oversees application of University resources in the best interests of the University and in accordance with policy.

7. CONFLICT OF INTEREST EXEMPTION (JKM Technologies, LLC)

WHEREAS, the University of Virginia wishes to enter into sponsored research contracts with JKM Technologies, LLC, to test the biomechanical and physiological effects of several shoe prototypes; and

WHEREAS, D. Casey Kerrigan, M.D., has disclosed in advance her equity interests of 100 percent, in JKM Technologies, LLC; and

WHEREAS, the University's entry into research agreements with JKM Technologies, LLC, would expose Dr. Kerrigan to violation of the Virginia Conflict of Interests Act unless approved by the Board as permitted by §2.2-3106(C) (7) of the Code of Virginia;

RESOLVED that the conflict of interest of D. Casey Kerrigan, M.D., is approved by the Board of Visitors in order to permit the University to enter into agreements with JKM Technologies, LLC, for research funding for the testing of the biomechanical and physiological effects of several shoe prototypes; provided, as required by the law, Dr. Kerrigan files the required annual disclosure statement of personal interests in JKM Technologies, LLC, the University files the required annual report concerning the contracts with the Secretary of the Commonwealth, and the relevant department chair vigilantly oversees application of University resources in the best interests of the University and in accordance with policy.

**8. APPROVAL OF THE BOARD OF VISITORS
REPRESENTATIVES TO THE GOVERNING BOARDS OF
UNIVERSITY-RELATED FOUNDATIONS**

RESOLVED that the following persons be ratified or confirmed as representatives of the Board of Visitors to the governing boards of the following University-Related Foundations:

<u>Foundation</u>	<u>Board of Visitors Representative</u>	<u>Term Ending</u>
Alumni Association of the University of Virginia	John O. Wynne	06/30/07*
Alumni Board of Trustees of the University of Virginia Endowment Fund	Robert V. Hatcher, Jr.	12/31/04
The College Foundation of the University of Virginia	Timothy B. Robertson	12/31/04
The University of Virginia's College at Wise Alumni Association and Foundation	Don R. Pippin	06/30/07*
Curry School of Education	Thomas A. Saunders, III	06/30/06
Darden School Foundation	Lemuel E. Lewis	12/31/04
Foundation of the State Arboretum at Blandy Experimental Farm	Rebecca D. Kneedler	12/31/04
Healthcare Partners, Inc.	E. Darracott Vaughan, Jr., M.D.	06/30/06

* Denotes ratification required by the Board of Visitors

<u>Foundation</u>	<u>Board of Visitors Representative</u>	<u>Term Ending</u>
University of Virginia Health Services Foundation	Harry J.G. van Beek	12/31/04
Historic Renovation Corporation	David W. Carr	12/31/04
Law School Alumni Association and Foundation, University of Virginia	Gordon F. Rainey, Jr.	12/31/04
McIntire School of Commerce Foundation	Georgia M. Willis	06/30/07*
Medical School Alumni Association and Foundation, University of Virginia	Charles M. Caravati, Jr., M.D	12/31/04
Miller Center Foundation	Gordon F. Rainey, Jr.	06/30/07*
Patent Foundation, University of Virginia	Terence P. Ross	06/30/07*
University of Virginia Foundation and University Real Estate Foundation	John P. Ackerly, III	06/30/04
University of Virginia Host Properties, Inc. (subsidiary of the UVA Foundation)	Robert G. Butcher, Jr.	12/31/04
University of Virginia Health Foundation	E. Darracott Vaughan, Jr., M.D.	06/30/07*
Virginia Ambulatory Surgery, Inc.	John B. Hanks, M.D.	06/30/07*
Virginia Engineering Foundation	James E. Ryan, Jr.	12/31/04
Virginia Urologic Foundation	William D. Steers, M.D.	12/31/04
Virginia Athletic Foundation	Craig K. Littlepage	12/31/05
Virginia Tax Foundation, Inc.	Joseph E. Gibson	12/31/04

* Denotes ratification required by the Board of Visitors

9. APPROVAL OF THE PROGRAMMING AGREEMENT WITH WVTF
AND AUTHORIZATION FOR THE EXECUTIVE VICE
PRESIDENT AND CHIEF OPERATING OFFICER TO
TRANSFER ASSETS AND LICENSE FOR WISE-FM TO
WVTF-FM

WHEREAS, WISE-FM does not have sufficient sources of funding to continue as a radio station owned and operated by The University's College at Wise; and

WHEREAS, the majority of WISE-FM's current programming is public radio programming also broadcast by WVTF-FM, the public radio affiliate operated by Virginia Tech; and

WHEREAS, WVTF-FM has agreed to assume programming for WISE-FM on a short term basis, providing the area residents with uninterrupted public radio programming; and

WHEREAS, The University of Virginia's College at Wise would like to transfer the WISE-FM license and other pertinent assets to WVTF-FM, not to include office equipment and other assets that may be used by the College at Wise.

RESOLVED that the programming agreement with WVTF-FM is hereby ratified; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to take the necessary steps to transfer the license and other pertinent assets of WISE-FM to WVTF-FM, in accordance with applicable law.

10. APPROVAL OF WTJU'S 2002-03 ANNUAL REPORT

RESOLVED that WTJU's 2002-03 Annual Report be approved, as recommended by the President and the Vice President for Student Affairs.

ACTION ITEMS

11. DELEGATION OF APPROVAL AUTHORITY TO THE PRESIDENT WITH REGARD TO EMPLOYEE PERSONAL INTERESTS IN CONTRACTS FOR RESEARCH AND DEVELOPMENT OR COMMERCIALIZATION OF INTELLECTUAL PROPERTY

WHEREAS, Virginia Code § 2.2-3106 was recently amended to allow delegation to the President of the authority to approve a waiver of the Virginia Conflict of Interests Act (the "Act") related to a contract for research and development or commercialization of intellectual property between the University and a business in which a University employee has a personal interest; and

WHEREAS, Virginia Code § 2.2-3106(E) requires that any such delegation be made a part of the University's policy, mandated by Virginia Code § 2.2-3106(C) (7) (iii), governing the waiver of such conflicts; and

WHEREAS, the Board wishes to delegate such authority to the President;

RESOLVED that the President of the University pursuant to Virginia Code § 2.2-3106(E), is delegated the authority to approve waivers of the Act as it applies to contracts for research and development or commercialization of intellectual property between the University and a business in which a University employee(s) has a personal interest. In evaluating requests for waivers and exercising the authority granted hereunder, the President shall comply with the Act and the University's policy on Conflict of Interests (the "Policy"). This delegation shall be effective until revoked by the Board. The University Comptroller shall revise the Policy as necessary to incorporate (i) this delegation of authority to the President and (ii) the requirements imposed by Virginia Code § 2.2-3106(E) in the event of such delegation.

12. APPROVAL OF THE CREATION OF THE UNIVERSITY
OF VIRGINIA SCHOOL OF ARCHITECTURE FOUNDATION

WHEREAS, The University Policy on University-Related Foundations requires that the creation of new University-Related Foundations be approved by the Board of Visitors; and

WHEREAS, the Senior Vice President for Development and Public Affairs recommends that the Board of Visitors approve the creation of a University-Related Foundation for the School of Architecture; and

WHEREAS, this new Foundation will adhere to the University's Policy on University-Related Foundations;

RESOLVED that the creation of a University-Related Foundation for the School of Architecture is approved.

13. APPROVAL OF 2004-2006 BIENNIAL BUDGET REQUEST
FOR THE ACADEMIC DIVISION, THE MEDICAL CENTER
AND THE UNIVERSITY OF VIRGINIA'S COLLEGE AT
WISE

WHEREAS, the expected 2004-2006 biennial budget request has been carefully reviewed; and

WHEREAS, the expected biennial budget request represents the highest priority initiatives and is aligned with the mission of the institution;

RESOLVED that the Board of Visitors of the University of Virginia endorses and supports the preliminary 2004-2006 biennial budget; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit the final biennial budget request to the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors; and

RESOLVED FURTHER that the Board of Visitors understands that to the extent these initiatives are not

included in the Governor's 2004-2006 biennial budget, the Academic Division, the Medical Center and The University of Virginia's College at Wise may want to pursue similar requests to the legislature; and

RESOLVED FURTHER that the Executive Vice President and Chief Operating Officer is authorized to transmit to the General Assembly any request not funded by the Governor as long as there are no material differences from the items already endorsed by the Board of Visitors.

14. APPROVAL OF EXPANSION OF THE UNIVERSITY OF VIRGINIA POLICY STATEMENT GOVERNING EXERCISE OF AUTONOMY IN LEASES OF PROPERTY TO INCLUDE INCOME OPERATING LEASES AND CAPITAL LEASES

WHEREAS, the General Assembly of Virginia, at the 1996 Session, enacted legislation providing for a permanent delegation of autonomy to the University to be exercised on behalf of the Medical Center in relation to leases of property; and

WHEREAS, the enabling legislation further delegated autonomy to the University to be exercised through a two-year pilot program for expense leases of property, other than leases entered into on behalf of the Medical Center; and

WHEREAS, the pilot program has been continued by subsequent legislative actions; and

WHEREAS, the General Assembly of Virginia, at the 2003 Session, enacted legislation 1) expanding the 1996 pilot program for the delegation of autonomy for operating leases to the University to include income operating leases and 2) creating a pilot program for capital leases; and

WHEREAS, the legislation as enacted by the General Assembly of Virginia in 1996 required that the authority delegated to the University not be exercised until the Board of Visitors adopted an appropriate system of policies, procedures, reviews, approvals and guidelines pursuant to which University officials would be guided in their exercise of the delegated autonomy; and

WHEREAS the Board of Visitors on June 14, 1996, approved a "Policy Statement Governing Exercise of Autonomy in Leases of Property," for the permanent delegation to the Medical Center and for the pilot program for the balance of the University; and

WHEREAS, the system of policies, procedures and guidelines included in the "Policy Statement" has provided for the efficient and businesslike administration of property leases; and

WHEREAS, the 1996 policy statement has been revised to include income operating leases and capital leases, and is now titled "Policy Statement Governing Exercise of Autonomy in Operating and Capital Leases of Property;"

RESOLVED that the "Policy Statement Governing Exercise of Autonomy in Operating and Capital Leases of Property," attached hereto, is approved; and

RESOLVED FURTHER that the President be delegated the authority (1) to implement the Policy Statement in the manner he deems most appropriate; and (2) to delegate further to his designee the administrative responsibility to implement and assure compliance with the Policy Statement.

15. APPROVAL OF THE APPOINTMENT OF A PUBLIC MEMBER TO THE BOARD OF THE UNIVERSITY OF VIRGINIA INVESTMENT MANAGEMENT COMPANY

RESOLVED that Peter F. Dolan, of Medfield, Massachusetts, is hereby appointed to serve as a public member of the Board of the University of Virginia Investment Management Company for a term of four years, beginning July 1, 2003.

16. APPROVAL OF INVESTMENT IN THE UNIVERSITY'S RESEARCH ENTERPRISE

WHEREAS, the Board has reviewed the status of the research program within the University with the intention that the University build its research enterprise in support of its goals and the Governor's goals for teaching, knowledge creation, technology transfer, and economic development; and

WHEREAS, the University's research program requires an investment in facilities and faculty to achieve and maintain the national standing it seeks; and

WHEREAS, the Educational Policy Committee has asked the President and the Executive Vice President to propose a plan to proceed promptly with the construction of Medical Research Building #6; and

WHEREAS, the Educational Policy Committee also has requested a detailed five-year plan for research based on preliminary information provided by the Vice President and Provost in August 2003, calling for a total investment of \$128.5 million and a Board of Visitors commitment of \$60 million over the period 2004-2009;

RESOLVED that \$20 million be allocated to complete the funding required for Medical Research Building #6 from institutional indirect cost recoveries and investment earnings, subject to funding of the remainder from School of Medicine sources and General Obligation Bond proceeds; and

RESOLVED FURTHER that it is the intent of the Board to invest an additional \$40 million from institutional funds in the research enterprise over the five-year period 2004-2009 to fund, along with other monies provided by the schools and Vice President for Research, ten "National Academy caliber" faculty teams and an Advanced Research and Technology Facility, subject to the submission of an acceptable five-year plan for research not later than April 2004; and

RESOLVED FURTHER that such investment will be made as part of the annual budget approval process over the five-year period 2004-2009 subject to confirmation that funding is available, that appropriate measures and milestones are in place, and that progress is being made consistent with the plan to be presented for the research program.

17. APPROVAL OF COMPENSATION ADJUSTMENTS AND INTENT TO ACHIEVE COMPETITIVE COMPENSATION FOR FACULTY AND STAFF

WHEREAS, the Board has reviewed the compensation provided to faculty and staff of the University; and

WHEREAS, the Board intends to pay people what they are worth in the marketplace based on individual qualities and measured by appropriate indices that are tested regularly and disclosed publicly; and

WHEREAS, the University's faculty and staff compensation has fallen over the last decade in all major surveys including those used by the Commonwealth to determine the desired funding of faculty salaries; and

WHEREAS, it is the expectation of the Board of Visitors that the state meet its obligation to restore faculty and staff salaries in the institutions of higher education in Virginia as quickly as possible; and

WHEREAS, it is the intent of the Board to restore faculty compensation at the University by the end of Fiscal Year 2007 to nationally competitive levels compared with peer institutions as measured by appropriate compensation surveys and institutional priorities;

RESOLVED that funding be provided from institutional resources to supplement state faculty salary increases effective November 25, 2003, by an average of 1.75 percent to be allocated on the basis of merit; and

RESOLVED FURTHER that two compensation funds be established effective November 25, 2003, for classified staff consisting of a) \$250,000 plus benefits to provide strategic base salary adjustments through the Classified Compensation Plan's In-Band Adjustment program and b) \$200,000 plus benefits for one-time bonuses and awards payable to outstanding performers under the State Rewards and Recognition Plan; and

RESOLVED FURTHER that the President and Executive Vice President propose a policy on compensation to the Board not later than April 2004, that achieves the Board's intent to restore faculty compensation to nationally competitive levels by the end of fiscal year 2007 and preserve market driven/ performance based compensation for classified staff subject to annual budget review processes, specific performance measures, milestones, and funding strategies to ensure accomplishment of the compensation objectives.

18. MEMORIAL RESOLUTION FOR FREDERICK G. POLLARD

WHEREAS, Frederick Gresham Pollard was born in Richmond in 1918 and took a B.A. from the University in 1940 and a law degree in 1942; and

WHEREAS, Mr. Pollard returned to Richmond after service in the United States Navy during World War II and began the practice of law; and

WHEREAS, Mr. Pollard was elected to the House of Delegates in 1950 and served until 1965 when he was elected Lieutenant Governor of the Commonwealth, in which capacity he served until 1970; and

WHEREAS, Mr. Pollard during his years in the General Assembly and as Lieutenant Governor, became known as an expert on the State Budget process; and

WHEREAS, Mr. Pollard served on numerous public and corporate boards; and

WHEREAS, Mr. Pollard was appointed to the Board of Visitors by Governor Dalton in 1980 and reappointed by Governor Robb in 1984; and

WHEREAS, Mr. Pollard served with great distinction on the Board and was elected Rector by his colleagues in 1982; and

WHEREAS, Mr. Pollard died on July 7th, 2003;

RESOLVED, the Board of Visitors notes with profound sorrow the death of Frederick Gresham Pollard, recalls his devoted service to the Board, his many contributions to the life of the University of Virginia and his love of this institution, and expresses its condolences to Mrs. Pollard and their family.

ATTACHMENT

**POLICY STATEMENT GOVERNING
EXERCISE OF AUTONOMY
IN OPERATING AND CAPITAL
LEASES OF PROPERTY**

THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA POLICY STATEMENT
GOVERNING EXERCISE OF AUTONOMY IN OPERATING AND CAPITAL
LEASES OF PROPERTY

TABLE OF CONTENTS

	<u>PAGE</u>
I. Preamble	1
II. Definitions	3
III. Scope of Policy	4
IV. Requirements for Leases	4
A. Factors To Be Considered When Entering Into Leases	4
B. Competition to Be Sought to Maximum Practicable Degree	5
C. Procurement of Leases	6
D. Approval of Form of Lease Required	6
E. Execution of Leases	6
F. University as Lessor	7
G. Compliance with Other Provisions of Law	7
H. Certification of Occupancy	8
I. Copies of Leases and Amendments Forwarded to Department of General Services	8
J. Implementation of Board of Visitors Policies, Procedures and Guidelines	9

THE RECTOR AND VISITORS OF THE
UNIVERSITY OF VIRGINIA POLICY STATEMENT
GOVERNING EXERCISE OF AUTONOMY IN OPERATING AND
CAPITAL LEASES OF PROPERTY

I. Preamble

Chapters 995 and 933 of the 1996 Virginia Acts of Assembly (House Bill No. 884 and Senate Bill No. 389, respectively) provide that, subject to certain conditions established in subsection 2 of § 23-77.4 of the legislation, operating leases entered into by the University of Virginia on behalf of the University of Virginia Medical Center shall be exempt from § 2.2-1149 of the Code of Virginia and from any rules, regulations and guidelines of the Commonwealth's Division of Engineering and Buildings in relation to leases of real property from others. Contracts entered into by the University on behalf of the Medical Center are also exempted from §§ 2.2-1155 and 23-4.1 of the Code of Virginia in relation to leases of Medical Center real or personal property to others. Exercise of this autonomy in entering into operating leases is to be in compliance with policies, procedures and guidelines adopted by the Board of Visitors which are to direct that competition be sought to the maximum practical degree, that all costs of occupancy are to be considered, and that the use of the space to be leased is necessary and is efficiently planned. Subsection C of § 4-5.08 of the 1996-98 Appropriation Act delegates to the University as a whole the authority granted the Governor and the Commonwealth's Department of General Services ("DGS") in § 2.2-1149 of the Code of Virginia regarding operating leases for the University other than the Medical Center. This latter delegation supplants the supervisory role of DGS which is established pursuant to § 2.2-1149, the provisions of which have been implemented by policies, procedures and guidelines promulgated by DGS pursuant to this section of the Code of Virginia. This authority has since been continued through 2002-04 by subsequent legislative action. This latter delegation of authority is subject to certain conditions, the foremost of which is that the Board of Visitors must develop and submit policies, procedures and guidelines governing operating leases by the University for approval by the Secretaries of Finance and Administration by September 1, 1996. More recently § 4-5.08 of the 2003 Appropriation Act extended the delegated authority approved in § 4-5.08 of the 1996 Appropriation Act to include 1) leases of University real or personal property to others and 2) capital leases to the University as a whole provided that such capital leases have been specifically authorized by the Governor

or the General Assembly pursuant to the Appropriation Act and have been reviewed and approved by the Treasury Board.

The following provisions of this policy statement constitute the adopted Board of Visitors policies, procedures and guidelines required by the enabling legislation regarding operating and capital leases entered into by the University on behalf of the Medical Center or on behalf of any other part of the University.

II. Definitions

The following words and terms, when used in this policy statement, shall have the following meaning unless the context clearly indicates otherwise:

"Board of Visitors" means the Rector and Visitors of The University of Virginia.

"Enabling legislation" means Chapters 995 and 933 of the 1996 Virginia Acts of Assembly (House Bill No. 884 and Senate Bill No. 389, respectively), § 4-5.08 of the 1996-98 Appropriation Act, and § 4-5.08 of the 2003 Appropriation Act.

"Operating Lease" means a leasehold interest in real property, or improvements thereon, which is not a Capital Lease as the term "Capital Lease" is defined within Generally Accepted Accounting Principles pursuant to the pronouncements of the Financial Accounting Standards Board.

"University" means the University of Virginia, including the Medical Center unless otherwise expressly stated.

"University of Virginia Medical Center" or the "Medical Center" means that part of the University of Virginia Health Sciences Center consisting of the University of Virginia Hospital, referenced in the 1996-98 Appropriation Act as Agency 209, and related health care and health maintenance facilities.

III. Scope of Policy

This policy statement applies to operating leases of real property and to capital leases as defined in guidelines established by the Secretary of Finance and as defined in the Generally Accepted Accounting Principles ("GAAP") promulgated by the Financial Accounting Standards Board. This policy statement

applies University-wide; provided, however, for non-Medical Center leases, this policy statement is applicable only during the 2002-04 biennium unless extended or continued by subsequent act of the General Assembly.

IV. Requirements for Leases

A. Factors To Be Considered When Entering Into Leases

The decision to enter into a lease shall be based upon cost, demonstrated need, compliance with the policies, procedures and guidelines established in this policy statement, consideration of all costs of occupancy, and a determination that the use of the space to be leased actually is necessary and is efficiently planned. Leases shall also conform to the space planning procedures, if any, which may be adopted by the President or his designee to ensure that the plan for the space to be leased is consistent with the purpose for which the space is intended.

In addition, capital leases require specific authorization by the Governor or the General Assembly pursuant to the Appropriations Act and approval by the Treasury Board. The authorization and approval must be received prior to procurement of the lease.

B. Competition to Be Sought to Maximum Practicable Degree

Competition shall be sought to the maximum practicable degree when the University seeks to lease real property from another party. The President or his designee is authorized to ensure that leases by the University are procured through competition to the maximum degree practicable and to determine when, under guidelines that may be developed and adopted by the President or his designee, it is impractical to procure leases through competition.

C. Procurement of Leases

Except where competition is deemed impractical pursuant to Sections IV(B) and IV(F) of this policy statement: (i) leases entered into by the University on behalf of the Medical Center shall be procured as provided in the University of Virginia Medical Center Procurement Guidelines, 8 VAC 85-10-10 et. seq., and (ii) leases entered into by the University for non-Medical Center purposes shall be procured in a manner which complies

with the provisions of the Virginia Public Procurement Act, § 11-35 et seq. of the Code of Virginia.

D. Approval of Form of Lease Required

1. The form of leases entered into by the University on behalf of the Medical Center shall be approved by a representative of the Attorney General's office.

2. The form of leases entered into by the University for non-Medical Center leases shall be approved by a representative of the Attorney General's office.

E. Execution of Leases

All operating leases entered into by the University and all leases entered into pursuant to Section IV(F) shall be executed by the person or persons designated by the President or his designee.

F. University as Lessor

When University property is leased by the University to another party, the following guidelines shall apply:

1. Such leases shall be for a purpose consistent with the mission of the University.

2. The President or his designee shall determine, on a case-by-case basis or through the issuance of general guidelines, when such leases shall be procured through competition and when the procurement of such leases through competition is impractical or not warranted; and

3. Both real and personal property of the University may be leased to another party.

G. Compliance with Other Provisions of Law

The enabling legislation requires that all leases entered into by the University on behalf of the Medical Center shall meet all requirements of law except those from which such leases have been exempted. The University is exempt from any rules, regulations and guidelines of the Division of Engineering and Buildings in relation to leases of real property which it enters into on behalf of the Medical Center. The provisions of § 10.1-1188 of the Code of Virginia governing Environmental Impact Reviews remain applicable to all University leases which otherwise trigger the requirements of that section. In addition, § 11-72 through 11-80 of the Virginia Public Procurement Act (Ethics in Public Contracting), the State and

Local Government Conflict of Interests Act, § 2.2-3100 et seq., and the Virginia Governmental Frauds Act, 18.2-498.1 et. seq. of the Code of Virginia, continue to apply to all leases.

It therefore shall be the policy of the University that leases governed by these guidelines shall be entered into so as to comply with the requirements of the Code of Virginia and the Appropriation Act and other provisions of law applicable to leases, including those enacted in the future, except to the extent the Code of Virginia or the Appropriation Act exempt such leases from such requirements.

H. Certification of Occupancy

All property leased by the University pursuant to these guidelines shall be certified for occupancy by the building official of the appropriate public body.

I. Copies of Leases and Amendments Forwarded to Department of General Services

Upon entering leases, and upon any subsequent amendment of such leases, the University shall provide copies of all lease documents and any attachments thereto to the Department of General Services.

J. Implementation of Board of Visitors Policies, Procedures and Guidelines

The President or his designee is authorized to take such measures as are reasonable and necessary to implement the provisions of these policies, procedures and guidelines and to ensure compliance therewith.