

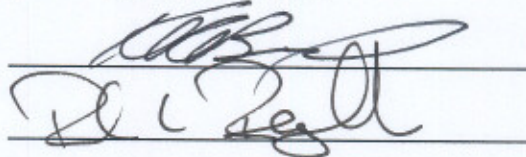
SUBJECT: CAPITAL IMPROVEMENTS PROJECT
CONTROLS

EFFECTIVE DATE: September 1, 2007

REPLACES ISSUE DATED: January 26, 1987

Submitted by:

Approved by:



PURPOSE:

To state the Authority's policy regarding controls and accountability of its Capital Improvements Program. This procedure will describe the MNAA's project and work order approval process and work order close-out procedures.

REFERENCES:

*SOP 3-101 Development of Capital Improvements Program
SOP 3-102 Construction Project Authorization
SOP 3-105 Capital Improvements Budget Review and Project Closeout Procedures
SOP 3-106 Capital Assets Policy and Procedures*

POLICY AND PRINCIPLES:

It is the policy of the Authority to periodically review and revise its Capital Improvement Program to best reflect the project scope, funding parameters and anticipated project time. If it is determined that additional funds are needed, the allocation must be made in accordance with SOP 3-101 and SOP 3-102.

All Authority contracts will be awarded in accordance with Policies and Procedures posted on the MNAA EXTRANET.

The Project Manager will complete the draft contract and submit contract to Legal for review. Upon legal approval, the Project Manager will forward the contract to Purchasing to obtain the necessary approvals, including MNAA Board approval as necessary, for execution of the contract.

Purchasing distributes copies of the contract to Finance and the Project Manager. Once the contract is executed, the Project Manager sets up initial work orders. When Finance

receives an executed contract, the project accountant will verify the project scope and funding sources, confirm approved budget and setup work orders as necessary.

COMPLIANCE PROCEDURES:

Project Manager

Monitors and supervises projects and reviews performance, budget and quality control.

Maintains project files.

Prepares and approves or obtains the required approvals for budget adjustments, including MNAA Board approval as the project progresses. (See SOP 3-102).

Reviews and approves construction documents, i.e., plans and specifications, shop drawings, bid documents and contract awards.

Prepares and reviews consultant, construction and professional services contracts for projects and submits to Legal and Purchasing for review.

Reviews and recommends approval of payment requests from consultants, contractors and other vendors and submits for further approval, as outlined in Procedure 3-302 Signature Levels. If there is DBE or SMWBE participation, the Director of Business Diversity Development will sign the participation sheet verifying that the participant is certified either with MNAA or TDOT. Finance will receive a copy of the invoice with all required signatures. All cost codes will be reviewed to assure that charges are properly recorded.

Coordinates with internal parties, as required to lend maximum support for project work.

Reviews for compliance with FAA guidelines and procedures.

Finance Division

Maintains permanent file of project cost, funding sources, project history and relevant fixed asset information as appropriate.

Allocates project cost and publishes periodic work in progress reports.

Publishes and distributes budget compliance reports to authorized individuals.

Reviews and processes payment to contractors for work performed and coordinates payment actions with project manager, once approved by responsible department.