

Utah State Building Board



MEETING

April 12, 2006

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice-Chair
Steven Bankhead
Cyndi Gilbert (via telephone)
Richard Ellis, Ex-Officio

DFCM and Guests in attendance:

Keith Stepan	Division of Facilities Construction & Management
Robert Franson	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Curtis Clark	Division of Facilities Construction & Management
D'Arcy Dixon Pignanelli	Department of Administrative Services
Alan Bachman	Attorney General's Office/DFCM
Ken Nye	University of Utah
Wally Cooper	AIA Utah
Scot Olson	Utah National Guard
Hailey Liechty	Parents of Deaf Children in Utah County
Michelle Archibald	Parents of Deaf Children in Utah County
Jackie McGill	Spectrum Engineers
Randall Funk	University of Utah
Darrell Hart	Utah State University
David Besel	Utah State University
Eric Tholen	Harris and Associates
RoLynne Hendricks	VCBO Architecture
Kevin Walthers	Utah System of Higher Education
Ralph Stanislaw	Archiplex Group
Luanne Valentin	Spectrum Engineers
Tony Lords	Henricksen Butler
Barbara Bruno	Herman Miller
Representative D. Gregg Buxton	Legislature
Wally Cooper	AIA

On Wednesday, April 12, 2006, the Utah State Building Board held a regularly scheduled meeting at the Utah State Capitol Complex, West Building, Room 125, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 9:00am.

Richard Ellis introduced Rich Amon, the analyst in the Governor's Office of Planning and Budget who will now cover the Department of Administrative Services, Building Board, Capital Facilities, and debt issuance. He will replace Randa Bezzant.

APPROVAL OF MINUTES OF MARCH 15, 2006

Chair Jardine sought a motion on the meeting minutes of the Utah State Building Board.

MOTION: Steve Bankhead moved to approve the meeting minutes of the Utah State Building Board on March 15, 2006. The motion was seconded by Kerry Casaday and passed unanimously.

ALLOCATION OF FY2007 CAPITAL IMPROVEMENT FUNDS

Kent Beers presented DFCM's recommendations for the allocation of the FY 2007 capital improvement funds. DFCM reviewed each project requested by state agencies and institutions of higher education to determine the highest priority needs across the state. DFCM provided an opportunity for agencies and institutions to comment on the proposed allocations prior to taking action on the approval of the allocation of capital improvement funds.

DFCM's recommendations for the allocation of capital improvement funds were developed under the process approved by the Board. The total cost of all requests received this year totaled over \$150 million. Funding from the Legislature totaled \$65.4 million (\$62.9 million regular funding plus \$2.5 million from Risk Management's reserve account). Narrowing the list of projects to identify the highest priority needs represents an enormous undertaking by DFCM staff. In developing its recommendations, DFCM placed the greatest priority on issues raised in facility condition assessments and on critical repairs to HVAC, structural, electrical, and infrastructure. Repairs and upgrades addressing life safety issues were given the highest priority.

Several documents were provided explaining and supporting DFCM's recommendations. The first document entitled *Summary of Replacement Costs of Facilities vs Share of FY 2007 Capital Improvement Funding* showed how the recommended funding is allocated among state agencies and institutions of higher education compared to the share of the facility replacement cost that each classification generates. The second document entitled *Summary of Capital Improvement Funding FY 2003 – FY 2007* provided a five-year overview of the allocation of capital improvement funding to each agency and institution.

Mr. Beers also reviewed the document entitled *FY 2007 Capital Improvement Projects* which showed DFCM's recommendations for this year's allocation of improvement funds.

One change had been made to the document since it had been mailed to the Board members. This document identified the original request for the project and the amount recommended by DFCM for the project. It also identified the life safety projects funded by the \$2.5 million allocated from Risk Management's reserve account.

Another document distributed at the meeting was entitled *FY 2006 Capital Improvement Project Status Report* which documented the percentage of projects completed or under construction that were approved by the Board last year. This report measures DFCM's annual performance in completing the projects within the year.

Mr. Beers reviewed the following amounts recommended by DFCM:

<u>Agency/Institution</u>	<u>Total DFCM Recommended Amount</u>
College of Eastern Utah	\$1,024,600
Dixie State College	\$1,290,100
Salt Lake Community College	\$3,588,900
Snow College	\$1,847,500
Southern Utah University	\$2,525,100
University of Utah	\$11,638,800
Utah State University	\$6,432,800
Utah Valley State College	\$2,682,800
Weber State University	\$3,795,700
Utah College of Applied Technology	\$1,841,200
Department of Agriculture	\$146,600
Alcoholic Beverage Control	\$383,600
Capitol Preservation Board	\$1,538,500
Community and Economic Development	\$485,600
Department of Corrections	\$3,327,900
Courts	\$2,120,000
Division of Facilities Construction and Management	\$3,111,500
Department of Environmental Quality	\$318,000
Fair Park	\$515,200
Department of Health	\$743,800
Department of Human Services	\$3,050,000
National Guard	\$1,503,800
Department of Natural Resources	\$3,415,000
Office of Education	\$188,400
Public Safety	\$119,500
Tax Commission	\$199,200
Department of Transportation	\$1,855,800
Department of Workforce Services	\$909,900
Statewide Programs	\$4,993,500
Total FY2007 Capital Improvement Projects Funded	\$65,593,300

The funding sources were as follows:

FY 2007 Funding from the Legislature	\$62,921,300
FY 2007 Funding from Risk Management for Life Safety	\$2,500,000
FY 2006 Canceled Projects to be Reallocated	\$172,000
Total FY 2007 Funding	\$65,593,300

Chair Jardine sought further comments on the capital improvement allocations. Steve Bankhead complimented DFCM for the detail provided in the report.

MOTION: Steve Bankhead recommended approving the capital improvements funding list. The motion was seconded by Kerry Casaday and passed unanimously.

Kent Beers continued reviewing the FY 2006 Performance Report. This information was gathered through the end of March and reflected the amount of work completed by the Capital Improvement group. The summary sheet on the cover showed that 98% of the projects from FY2006 that the Building Board approved last year were either under construction or completed. There were a total of 174 projects managed by DFCM last year, and 170 of the projects were under contract or completed.

Mr. Beers congratulated the Capital Improvement group for achieving the highest amount ever. Historically the group averaged 60% of the projects, but they have been increasingly improving over the last few years. Kent Beers introduced the Capital Improvement team which included section manager Vic Middleton, Bob Anderson, Wayne Smith, Darrell Hunting, Craig Wessman, Brent Lloyd, Kurt Baxter, Jeff Reddoor, S'ean Crawford, Jim Russell and Nikki Wolcott who provides secretarial assistance. Absent from the meeting were Dan Clark, Mike Ambre, and Rick James.

❑ AMENDMENTS TO RULE R23-1 AND R23-2

Rule R23-1 was presented to the Building Board in September 2005 to raise the limits regarding small purchases due to increasing inflation. It also raised the limits required on bonding for projects changing it from \$50,000 to \$100,000. DFCM had since received correspondence indicating concern in the industry that the rule would leave DFCM unprotected. Based upon additional research of federal government projects, it was determined DFCM did not wish to take those risks. Therefore, they asked the Board to review the rule again to revert back to the limits regarding solicitations at \$50,000. The bid security will also remain at \$50,000.

Alan Bachman requested the Board consider any input from the public and approve the submission of the new rule regarding small purchases with the Division of Administrative Rules. Randall Funk, University of Utah, stated he was very much in favor of the procurement limit going to \$100,000, but agreed the \$50,000 limit was very prudent. Keith Stepan stated the concept had been reviewed by AIA leadership and the AGC Board.

Alan Bachman suggested if the Board was inclined to approve the rule to include in the motion approval of the submission of this rule regarding small purchases to be filed with the Division of Administrative Rules in time for the April 15 publication deadline. If no negative comments were received during the 30-day comment period, it was requested the Board authorize the filing without returning to the Building Board.

MOTION: Kerry Casaday moved to approve R23-1 based on the information received from DFCM. The motion was seconded by Steve Bankhead and passed unanimously.

Another rule which was presented at the March 2006 Building Board meeting was initially to comply with state law. Some housekeeping amendments were needed to update the rule in order to comply with GRAMA. A Division of Purchasing rule was adopted late last fall after several meetings with the Procurement Policy Board. As a result, changes were made to Division of Purchasing practices in terms of what is released regarding proposals. This has been past practice in the bidding process, but only successful proposals were released and attached to the contract. Unsuccessful proposals were not released. The Procurement Policy Board determined this was not the best interpretation under GRAMA which had very specific provisions about trade secrets and confidentiality processes. It was determined unsuccessful proposals, other than those marked as trade secret or confidential, could in fact be released through a GRAMA request. Items that may be protected include financial statements, aspects of designs, etc. Additional amendments to the rule included a renumbering of statutes per the procurement code, as well as additional housekeeping amendments.

Keith Stepan stated the changes would make DFCM compatible with state law. DFCM will also host a training session on May 18 and have invited architects, engineers, and contractors to learn how to mark documents with proprietary information.

Alan Bachman noted Ken Hansen, director of the Division of Administrative Rules, had commented on R23-1-35 regarding the procurement of construction. Some typographical errors were made in the previous documents, and Mr. Hansen suggested some wording changes. The context of the document was not altered and still met the legal obligations.

Steve Bankhead felt the idea of having a training session was excellent, but felt some contractors may not realize the significance of the amendment. He suggested DFCM conduct annual follow-up sessions and including a small paragraph with general contractor renewal applications to allow notification to the contracting public. Keith Stepan stated information would be distributed with RFPs in order to immediately notify those submitting proposals.

Chair Jardine sought a motion with similar provisions that if no negative comments were received during the public comment period, DFCM did not have to return for further approval from the Board.

MOTION: Steve Bankhead moved to approve the amendments with the provisions that DFCM would not need to return if no negative comments were received. The motion was seconded by Kerry Casaday and passed unanimously.

DISCUSSION OF CAPITAL DEVELOPMENT PROCESS

Chair Jardine wished to discuss the capital development process utilized by the Board for the past two years. He questioned if the Board felt any changes were necessary, and if they wished to coincide with the Regent's Q&P process.

Kerry Casaday suggested tabling the issue until more Board members were present. Kent Beers commented there was some urgency to determine any applicable changes in order to distribute the information to the agencies and institutions prior to their formulating their requests. He suggested the Board form a committee in order to begin the process of review because the agencies and institutions will start to develop their capital development requests within the next two months.

Steve Bankhead felt the process worked efficiently and wished to use it another year in order to specifically address the Board of Regent's process. He felt having two independent processes address the issues is important. The Board agreed to carefully consider the Board of Regent's ranking, but it did not feel it was beneficial to make the processes the same.

Representative Buxton felt the Board did a good job with the priorities last year. He suggested they review their approach in the evaluation of projects to ensure the agencies and institutions understood the process before requesting their projects. He felt combing the processes would only allow higher education to obtain money. The approach needs to be very objective in order to address the needs of the state and he commended the Board for the efforts put forth.

Chair Jardine felt the committee concept was favorable. Cyndi Gilbert was impressed with the impact the process has had and felt comfortable with its' current status.

MOTION: Kerry Casaday moved for DFCM to put together a committee within the next two to three weeks to review the process. The motion was seconded by Cyndi Gilbert and passed unanimously.

Steve Bankhead suggested Katherina Holzhauser be invited to be on the committee because she initially spearheaded the process.

STATEWIDE MASTER PLANNING FOR GOVERNMENT OFFICE SPACE NEEDS

DFCM is currently undertaking a master planning effort of statewide government office space needs. Under the direction of D'Arcy Dixon Pignanelli, DFCM will be conducting this

master planning effort. Some items of interest to review include demographic trends, space utilization, prototypical building design, locations for regional centers, and transportation issues. A committee has been formed to address these issues and includes several state agencies. Some of the projects that will be coming to the Board this fall will be impacted by this master planning effort. This will help more firmly determine the direction we should take in the building program.

Steve Bankhead asked if the committee could devote a section to the state with recommendations of the older and more decrepit state buildings currently occupied as a separate issue. Since they would be coming to the Board in the next few years, it would be beneficial to obtain a comprehensive look. Kent Beers agreed a combined effort would help with other agencies pursuing their own agendas. They hoped to combine and co-locate facilities where appropriate.

❑ ADMINISTRATIVE REPORTS FOR THE UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Randall Funk, University of Utah, provided the administrative report for the period of February 24 to March 24, 2006. There were four new design agreements, one programming agreement, two study agreements, one remodeling contract and one site improvement contract awarded for the period.

There were three transfers out of the Contingency Reserve Fund for the EMRL chiller replacement, Biology façade repair, and a medium voltage switchgear upgrade on the lower west campus. There were three transfers into the Project Reserve Fund for the fire surplus reallocation, the OSH fire alarm/sprinkler system, and the campus wide drought tolerant landscape.

MOTION: Kerry Casaday moved to approve the administrative report of the University of Utah. The motion was seconded by Steve Bankhead. Cyndi Gilbert abstained from the vote as she could not hear the discussion and the motion passed.

Keith Stepan congratulated Randall Funk for being named as the Director of Campus Design and Construction.

David Besel, Utah State University, provided the administrative report for the period of February 22 to March 22, 2006. There were five professional contracts and eight construction contracts issued for the period. There was one transfer out of the Project Reserve Fund due to the Sci-Tech Library Fire Alarm Upgrade requiring \$30,000 more for the project.

Of the 53 projects on USU's current delegated project list, 12 are in the design/study phase, 22 are in construction, 11 are substantially complete, two are complete and six are pending. There were three new projects added to the list.

Chair Jardine sought a motion and stated he would abstain from the vote since his employers name was listed on the report.

MOTION: Steve Bankhead moved to accept the administrative report of Utah State University. The motion was seconded by Kerry Casaday. The motion passed with Chair Jardine abstaining from the vote.

☐ UTAH SCHOOLS FOR THE DEAF AND BLIND.....

Linda Rutledge, Utah Schools for the Deaf and Blind, requested permission to proceed with an architectural program to develop a project for the Board's consideration in the fall. DFCM recommended that they proceed due to the facts that are noted below. Their project may receive a high level of support and consideration during the 2007 Legislative Session.

1. The Schools for the Deaf and Blind proposal was listed on the Governor's 2006 budget request.
2. For several years, the Building Board has considered the schools facility needs and following a site visit, noted the program urgency and critical time table of a new building to replace the Connor Street facility.
3. The current lease agreement with the building owner/developer will end on June 30, 2009. A design and construction time table of two years becomes critical during the 2007 Legislative Session funding process.
4. The 2006 proposal for funding was \$10.7 million. Future funding requests may exceed that amount due to inflationary construction costs. An early start on preparation of a formal program will save the state money.
5. Program funding will be provided by Schools for the Deaf and Blind.

Ms. Rutledge estimated programming would take approximately 14-18 months to complete, which is not enough time if they waited through the legislative process. They hoped to proceed as soon as possible.

An overview of the programs being reviewed by the Schools for the Deaf and Blind was distributed. This proposed site is to replace approximately 64,000sf in space currently being used into a new 57,000sf facility to accommodate students and staff.

Legislative intent language in 2005 requested that they proceed and have JMS merge with USDB. This was done effectively and they have built excitement about including a new philosophy for the deaf education program.

The districts are required to give the USDB classrooms for their students. As the district's population growth changes, or the schools close, then USDB students must be relocated. This has been unacceptable to the parents and the children attending these programs. Even the mobile classrooms used in Alpine district are not an ideal educational setting for their students.

Steve Bankhead stated last year as the Board visited the Connor Street facility, the Board felt this project was needed. He suggested that before the USDB defined the square footage required, they also consider the growth the USDB might incur over the next few years to allow for expansion.

Richard Ellis stated the Legislature was reluctant to the phased funding approach which could cause some difficulty. He questioned if they had a back-up plan if they did not receive funding for 2008. Ms. Rutledge stated if the legislative session did not approve this building next session, it could not be completed prior to the JMS building demolition. They were only prepared to use \$66,000 from USDB funds for programming. USDB has talked to Granite School District to identify a site, but were waiting on school board approval before it could be disclosed.

Melanie Austin explained the USDB works with children from birth through age 21. The facility for the Utah Schools for the Deaf and Blind would allow for an inclusionary model to work with the children.

Linda Rutledge stated transportation for the JMS facility is also difficult because the children must be transported from the Connor Street facility, 30 various classrooms within the Granite School District, and JMS. Transportation is also expensive and costs roughly \$3 million. These expenses could be alleviated by having a more centralized building with the junior high and high school students nearby. Building a building for JMS would not allow them to see the efficiencies needed.

D'Arcy Dixon Pignanelli commented she thought the USDB was doing good work, but did not want to mislead them that by approving programming that they would be guaranteed anything in the future. USDB continually seems to be pre-empted by other agencies cooperation to make the project successful. Linda Rutledge responded the other agencies would help them build in close proximity to a school district to allow students to be mainstreamed. The new facility would allow the statewide agency a location to house 160 offices with 140 students in one particular building.

Keith Stepan summarized that the request is to proceed with the programming. They hoped to formulate an agreement with Granite School District and work with DFCM.

MOTION: Steve Bankhead moved to approve the programming for the Utah Schools for the Deaf and Blind project. The motion was seconded by Cyndi Gilbert and passed unanimously.

Michelle Archibald and Hailey Liechty, parents of Utah County students, were present to explain their frustrations with the facility in Utah County.

Ms. Archibald's child has a cochlear implant. Based on her research she has found that children with cochlear implants should be able to compete on normal grade level and be able to hear or speak by first or second grade. She felt that if services were improved,

more children would not fall behind. She felt a significant problem was that the building was similar to a double-wide trailer with 38 children being serviced in it, and there was no storage in the building. This made the heavily used trailer completely inadequate.

Ms. Liechty explained the parents previously met to discuss approaching the problem slightly different from the USDB. They have contacted an architect who helped them draw up very preliminary plans. They acknowledged they don't have land, money, and have not been created as a 501(c)(3) which they may create to buy land if they are unable to get USDB to lease the land to contract their services. She did compliment the USDB services, but felt the facilities were extremely abysmal. The parents also desired a centralized location where they could obtain information and assistance with deaf children.

Keith Stepan stated it was important to obtain the parent's perspective to ensure all plans were coinciding. However, state requirements needed to be met and issues such as teaching staff, insurance, liability issues, and building specification requirements needed to be observed.

Currently the Alpine School District and the director of the USDB are working with a principal at Foothill Elementary in Orem where the teachers and the kids would be able to move into a regular school. They would have a regular room in a centralized location and would have the acoustics that are necessary and they would have a microphone so the students could have the FM system. Alpine has also offered three sites that they could build the building on and are willing to work with them.

Chair Jardine suggested the parents meet with DFCM to discuss their plans and further intentions. The Board understood their plans were more of an idea of what was needed and not concrete plans. Keith Stepan agreed to meet with the parents after the meeting.

ADMINISTRATIVE REPORTS FOR DFCM

Keith Stepan stated there were 17 new architect/engineering agreements awarded for the period. They are starting to make agreements for the funding that was approved last legislative session. There were 25 new construction contracts awarded for the period.

DFCM will see their reserve funds drop dramatically this year in terms of what is happening with the construction industry. Approximately \$1.5 million was moved out of the contingency fund and into the reserve fund to compensate for the industry as approved by the legislature.

OTHER

Chair Jardine presented Ken Nye a plaque for his work and dedication for the Building Board and DFCM as was approved by the Building Board at the March meeting. The plaque will be presented formally once all the signatures are received.

Building Board members were asked to participate in various Value Based Selection projects.

ADJOURNMENT.....

MOTION: Steve Bankhead moved to adjourn at 10:53am. The motion was seconded by Kerry Casaday and passed unanimously.