

# Utah State Building Board



## MEETING

August 1, 2007

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### **MINUTES**

#### **Utah State Building Board Members in attendance:**

Larry Jardine, Chair  
Kerry Casaday, Vice Chair  
Steve Bankhead  
Katherina Holzhauser  
Mel Sowerby  
Manuel Torres

#### **DFCM and Guests in attendance:**

Gregg Buxton	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Shannon Elliott	Division of Facilities Construction & Management
Dana Edwards	Division of Facilities Construction & Management
Lucas Davis	Division of Facilities Construction & Management
Alisha Mitchell	Division of Facilities Construction & Management
Alan Bachman	Attorney General's Office/DFCM
Kimberly K. Hood	Department of Administrative Services
Steve Allred	Legislative Fiscal Analyst's Office
Senator Scott Jenkins	Legislature
Mark Spencer	Utah System of Higher Education
Kirt Michaelis	Utah College of Applied Technology
Kevin Walthers	College of Eastern Utah
Bob Askerlund	Salt Lake Community College
Gordon Storrs	Salt Lake Community College
Ken Nye	University of Utah
Mike Perez	University of Utah
David Besel	Utah State University
Darrell Hart	Utah State University
Jim Michaelis	Utah Valley State College
Kevin Hansen	Weber State University
Sarah Parris	BNA Consulting
Pat Gleason	Calder Richards Engineering
Sonya Dinsdale	Dunn Associates
Keri Hammond	EDA Architects
Chris Coutts	MHTN Architects
Jackie McGill	Spectrum Engineers

Linda Hone	Van Boerum & Frank
RoLynne Hendricks	VCBO Architecture
James Van Roosendaal	VCBO Architecture
Cliff Butter	Department of Corrections
Greg Peay	Department of Corrections
Keith Davis	Department of Human Services
Dan Clark	Parks and Rec
Bill Juszczak	UDOT
Col. Scot T. Olson	Utah National Guard
Dallas Earnshaw	Utah State Hospital
Peggy Grusendorf	Utah State Hospital
Scott Jenkins	Senate
Keith Davis	Department of Human Services
Bill Juszczak	Department of Transportation

On Wednesday, August 1, the Utah State Building Board held a regularly scheduled meeting in W125 State Capitol Complex, Salt Lake City, Utah. Chair Larry Jardine called the meeting to order at 9:00am.

**APPROVAL OF MINUTES OF MAY 23, 2007, AND JUNE 20, 2007 .....**

Chair Jardine sought a motion on the minutes of May 23, 2007.

**MOTION: Steve Bankhead moved to approve the meeting minutes of May 23, 2007. The motion was seconded by Kerry Casaday and passed unanimously.**

Chair Jardine sought a motion on the minutes of June 20, 2007.

**MOTION: Manuel Torres moved to approve the meeting minutes of June 20, 2007. The motion was seconded by Mel Sowerby and passed unanimously.**

**BUILDING BOARD POLICY PERTAINING TO PROGRAMMING OF FUTURE BUILDINGS .....**

DFCM recommended that the Building Board adopt the proposed policy pertaining to the programming of future buildings. It is the policy of the Utah State Building Board that authorization for Planning and/or Programming services for Capital Development projects requested by State Agencies and Institutions of Higher Education be limited to those projects that have a high likelihood of being funded during the next Legislative session. A project that has a high likelihood of being funded during the next Legislative session is defined as a project that is one of the top seven projects from the Building Board's latest priority list not approved for funding by the Legislature during the most recent Legislative session. This policy is intended to work in cooperation with the following provisions of Administrative Rule R23-3: Planning and Programming for Capital Projects.

Kent Beers sought any questions from the Board or the audience members.

Mark Spencer, Utah System of Higher Education, supported the draft and appreciated the opportunity to provide input. He endorsed the policy on behalf of the Utah System of Higher Education.

**MOTION: Steve Bankhead moved to approve the policy pertaining to programming of future buildings. The motion was seconded by Kerry Casaday and passed unanimously.**

Kim Hood, Department of Administrative Services, announced Jonathan Ball, Legislative Fiscal Analyst, appointed Steve Allred as the Deputy Director. Mr. Allred will continue to assist with the capital budget.

**☐ FY 2009 CAPITAL DEVELOPMENT REQUESTS .....**

DFCM distributed the FY2009 Capital Development list of the projects submitted for this upcoming legislative session. Kent Beers noted the cost estimates were very preliminary and DFCM will work with a cost estimator to assist the project managers to review and update the costs on each of the projects.

**☐ DISCUSSION ON PROJECT DELEGATION LIMITS .....**

DFCM recommended that the Building Board discuss the possibility of increasing project delegation limits at the University of Utah, Utah State University and the Department of Transportation. Over the past year, DFCM has received inquiries about the possibility of increasing the project delegation limits for agencies and institutions with project delegation. The inquiries stem from the significant increase of approximately 50% in construction costs over the past five years. This has diminished the purchasing power associated with the current delegation limits, which are \$5 million at the University of Utah, \$2 million at Utah State University, and \$250,000 at UDOT. Utah Code 63A-5-206(4) outlines the provisions for project delegation by the Utah State Building Board.

Kent Beers recommended the Board assign DFCM to assemble a task force involving the Governor's Office of Planning and Budget, the Legislative Fiscal Analyst's Office, one or two members from the Building Board and DFCM staff, as well as agency representatives. This task force should review the current delegation limits, the policy on delegation, and seek input to determine an appropriate amount of delegation.

Chair Jardine asked how long the current limits had been in force. Kent Beers referred to Ken Nye, University of Utah, for his insight. Mr. Nye estimated they had been in place for eight to ten years.

Alan Bachman stated the Legislature passed a bill last year clarifying what various agencies needed to do in terms of substantive requirements pursuant to DFCM rules and regulations even in delegated projects. He questioned if this would also be a responsibility of the task force. Kent Beers stated DFCM would welcome that inclusion if the Board

desired. The authority is outlined in statute as well as the Administrative Rules. Alan Bachman stated the statute is intended to provide a general rule to define DFCM procedures, but does not provide an implementation process. He felt the clarifications would be helpful to the agencies and DFCM.

Mel Sowerby asked if the recent legislation addressed the level of funding. Alan Bachman responded that the task force would need to determine a level for delegation and the terms of the delegation.

Steve Bankhead asked if the three agencies authorized for delegation have had problems with the delegation limits. Mike Perez, University of Utah, stated they had not had a problem with the delegation. They work very closely with DFCM and the standards to ensure that they are doing things consistent with state procedure. However, their buying power is lessened and they welcomed a discussion in increasing those limits.

Darrell Hart, Utah State University, agreed that they also have some delegated projects that exceed that amount even before requesting the project. It would be helpful for them to have a larger delegation amount.

Bill Juszczak, UDOT, stated their delegation was the lowest. It was really intended for them to have an opportunity to work on a very small utilitarian type structures, mostly salt storage buildings. He raised the issue as their delegation is set at the maximum for new building construction. Because of their increasing costs, they are getting close to the \$500,000.

Kent Beers noted the delegation limits were in statute and the Building Board was not at liberty to change it. He suggested the task force could look at the document and determine if a change in statute was appropriate.

Kent Beers noted that with the last legislative session, the capital improvement limit was raised from \$1.5 million to \$2.5 million. With Utah State's current delegation limit at \$2 million, there are capital improvement projects that cannot even be delegated to them. He strongly suggested the task force be developed to provide input. Steve Bankhead did not feel the task force was necessary. He suggested postponing action on the item to allow others to provide input. Mr. Beers offered to seek the input of the Governor's Office and Planning and Budget and the Legislative Fiscal Analyst.

Alan Bachman suggested going through the rule making process in order to seek comment. He recommended looking at the current rule to allow agencies the ability to make recommendations. Gregg Buxton offered to table the issue and allow DFCM to bring back more input to the Board. Mel Sowerby believed a task force was a more positive way to obtain input.

Alan Bachman referred to the statute which stated that the Building Board may authorize the delegation of control over design, construction, and all other aspects of any project to entities of state government on a project-by-project basis or for projects within a particular dollar range and a particular project type. He was unsure if the particular project type had

specific attention paid to it. He thought the legislature also expected the Building Board to look at the type of project and its' complexities, not just the amount of dollars.

Kent Beers offered for DFCM to further investigate the issue and return to the Board with a recommendation after further studying the issue. The Board agreed to allow DFCM the opportunity to further investigate the need to formulate a task force.

**□ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY .....**

Ken Nye, University of Utah, presented the administrative report for the period of May 4 to July 13, 2007. The University issued eight architectural/engineering agreements and 15 construction contracts for the period.

The quarterly report included a statement for all of the statewide projects. There were two contracts issued for paving where they combined contracts together for paving purposes to obtain better cost and management of the project. The summary of all of the improvement projects included older projects that would be closed out prior to the next report. There was no activity in the contingency or project reserve fund.

**MOTION: Steve Bankhead moved to approve the administrative report of the University of Utah. The motion was seconded by Manuel Torres and passed unanimously.**

David Besel, Utah State University, presented the administrative report for the period of May 2 to July 11, 2007. There were six new professional contracts and 23 construction contracts issued for the period. There was \$9800 reallocated from the Project Reserve for the Eccles/Science-Technology Library Chilled Water project.

USU is setting aside contingencies for the new projects and have set aside 7% for each of the new projects. Campus wide contingency is up to \$1,076,188.23.

The current delegated project list reported 20 new projects have been added. Of USU's 85 delegated projects, 12 are in the Design/Study phase, 37 in Construction, 10 substantially complete, nine complete and 17 are pending.

**MOTION: Steve Bankhead moved to approve the administrative report of Utah State University. The motion was seconded by Kerry Casaday and passed unanimously.**

Steve Bankhead commented on the review of raising the delegation limits, he thought it would be worthwhile for him to hear a report on a discussion between DFCM, Utah State University and the University of Utah regarding the relative efficiencies as to who runs these projects. He questioned if DFCM ran the projects they would be stretching already scarce resources that are needed in other state projects. Kent Beers responded the

question needed to be answered as to how big of a construction staff the legislature wanted for the institutions. He suggested adding this to the discussion of the delegation issue when they report back to the Board.

**❑ REALLOCATION OF CAPITAL IMPROVEMENT FUNDS AT UTAH STATE UNIVERSITY .....**

Utah State University requested to reallocate \$114,727 from the Veterinary Science Fire Pumps/Generator to Animal Science Building Windows Replacement, and \$96,022 from Bus Turnaround Improvements to Old Main Elevator Improvements.

**MOTION: Kerry Casaday moved to approve the reallocation of the capital improvement funds for the two projects at Utah State University. The motion was seconded by Mel Sowerby and passed unanimously.**

**❑ PRESENTATION BY UTAH DEPARTMENT OF CORRECTIONS .....**

Greg Peay, Department of Corrections, provided information to help the Building Board understand the dynamics of Corrections, what drives their growth, and why they are in a perpetual problem of not having enough beds or services to support the staff.

Cliff Butter, Director of Research and Planning, had been working in planning with the Department of Corrections for about 25 years. He understood correctional facilities were the least attractive to get funding, but they are also very important due to their direct relation to public safety.

Corrections has kept track of the daily count of the prison population since 1995. Those data points are used to do a regression on the population. Back in the summer of 2001, Corrections had an emergency release due to the housing expansions not keeping up with a demand for the prison beds so they had to create some relief and approximately 270 inmates were paroled early. Prior to the time between January 1995 and July 2001, Corrections was growing at a net new need of 342 beds a year, which would require about two facilities per year indefinitely. After the settling down of the early release, Corrections recalculated their projection based on July 2002 through the present date and came up with a total regression of 228. This can also be broken down by the male projection and female projection because those are different housing populations. This allows them to project how fast those populations are growing in order to meet their construction demand. Right now they are growing at a net new six females per month and 13 males per month for a total of a net new growth of 19 per month. Corrections pushed that population projection through every month over an eight to 10 year period in order to determine where a new expansion is needed.

Mr. Butter explained the difference between operational capacity and maximum capacity. Prison facilities require some empty space to allow inmates to move due to incidents or facility issues. They try to plan for between 3-5% of their total capacity to remain empty at

all times to allow for inmate transition. Corrections plans to an operational capacity even though they have extra space. When the population gets above the operational capacity, it becomes problematic for the staff and the inmates. They hope their construction plan will stay below the operational capacity.

Corrections is currently overcrowded, but they expect some relief when the 288 bed facility opens in November, and the 192 bed facility in Gunnison that will open in May 2008. They have also proposed to contract for a privatized parole violator center in Salt Lake Valley to help alleviate some of the pressure on the demand for housing.

Traditionally, about 20% of the population is in county jails and Corrections hopes to stay at the same level. The county jails cannot be used to a greater extent because they cannot house the specialized populations. There are inmates currently in Beaver, Box Elder, Cache, Carbon, Daggett, Davis Duchesne, Garfield, Grand, Iron, Juab, Kane, Millard, San Juan, San Pete, Sevier, Summit, Uintah, Washington, and Weber. Since they can overbuild these county jails and lease portions of the expansion back to the state, they are able to receive revenue to help against their bond payment. As the county grows, the amount of contracted beds is diminished. This maximizes their benefit and helps the state in the short term.

The proposed CUCF 1 & 2 facility would hold 480 beds and would be developed in two pods. They hope to have it open by January 2011. Another expansion would be CUCF West 3 & 4 and would be open by 2013. The \$100 million also included a kitchen expansion.

Last year, Corrections proposed a Cook Chill Kitchen to the Building Board, but retracted the project shortly after. This kitchen is needed in order to provide basic services, and they have difficulty manufacturing and delivering so many meals that they cannot keep the meals hot enough to meet health standards. Corrections is currently in the process of issuing an RFP for solicitation of some of the local food vendors who provide large scale meals to provide assistance. If this does not prove to be a feasible option, the Cook Chill Kitchen will be the back-up. A cook chill kitchen would allow Corrections to produce food in bulk and freeze it in bulk. They would then be able to store the food at the various centers. The cook chill kitchen would allow 30 days of food supplied to be stored at each area and maximize the amount of meals produced. A new cook chill kitchen would also help them reduce the cost per meal with the ability to prepare in bulk. Even \$.40 a day in food savings, it would save approximately \$1.2 to \$1.3 million a year, which could be used for the payment of the bond for the building in a matter of ten to 12 years. Corrections could speed the repayment up by offering services to other counties for their jails with re-thermalized pantries. Corrections hopes to construct a pre-manufactured steel building and spending the savings on kitchen equipment.

Mel Sowerby asked what was included in the \$100 million request. Mr. Butter responded CUCF 1 & 2 was requested for about \$76 million, and the cook chill kitchen request was for approximately \$18.9 million.

Greg Peay added that part of the project included an expansion of the perimeter at Gunnison. Currently, there is no more property inside of the secure perimeter fences in order to build a housing unit at Draper or Gunnison. Programming was completed by DMJM Architects who also worked on the design and construction of the 192 and 288 bed facilities currently under construction. In the building of a new perimeter, Correction is going to build outside of the secured perimeter to help with the nuisance of the security for the contractors. By utilizing the new perimeter and building two of the housing units, all of the capacity would be available and would be totally full. The hope to build the buildings together and expand the perimeter in the same CMGC process within a single performance contract. This will provide years of growth potential at the cheapest point they can build at this time.

Steve Bankhead commented that if \$100 million was approved for Corrections in any one year, there is little left for anything else. He questioned if the legislature could work to do an allocation every year so they did not receive enormous issues that need to be addressed all at once. If they could do the large project gradually, they could avoid the rest of the approval process being skewed. Senator Jenkins responded it would be difficult to receive \$100 million from the legislature in one year. The staged financing had been frowned on in the past and was not really feasible. Gregg Buxton suggested it was realistic they could set aside a certain amount each year for prisons. He suggested Corrections focus on the continual growth and the need for long range planning.

Gregg Buxton asked if the could build the new Gunnison facility outside of the fence, and then put the fence and security measures in place in order to pick up the substantial savings. Greg Peay responded Corrections was limited as to what they could do as far as out of bounds fences. Once inmates are in the compound, they have to operate it as a secure site. The security issues increase the cost for the contractor.

Mr. Buxton estimated the legislature will probably budget somewhere between \$100 and \$160 million dollars this year for development projects. The Building Board will need to evaluate the project along with the other top priorities. With the reality of \$50 million needed due to the sale of the Human Services building, that leaves approximately \$60-100 million.

Kim Hood, Department of Administrative Services, asked how many inmates were released from prison each month. Cliff Butter responded they have 3000 releases and 3000 admissions except for the net growth. Right now the projection indicates a net growth of 288 per month.

Cliff Butter stated once they build out at Gunnison, the state will need to look for a third site which is anticipated to be fairly expensive. The Board previously gave approval to proceed with the study for the third site. The study is in the fourth draft right now and is anticipated to be delivered to DFCM by the second week in August. Corrections perceives the third site as being further in the future since it seemed to make fiscal sense to utilize the current property with infrastructure in place.

**ADMINISTRATIVE REPORTS FOR DFCM .....**

Kent Beers stated the Board passed a Facility Use Rule two Board meetings prior. After being approved by the Board, it went through the 30-day public comment period and the rule has now been officially adopted.

There were 69 architect/engineering agreements awarded and 55 construction contracts awarded for the period of May 3 to July 10, 2007. The Contingency Reserve Fund currently has \$6.8 million. Increases to the fund this month came from the Midway Fish Hatchery project due to the updated CBE budget being recently completed. Decreases to the fund were made for the UVSC Digital Learning Center change orders, National Guard North Salt Lake Readiness Center, and SLCC Jordan Campus Health Sciences Building.

The Project Reserve Fund currently has a balance of \$2.8 million, which is an increase of \$600,000 from the last report. The largest decrease to the fund was made to the SLCC RRC Utility Tunnel Expansion.

Chair Jardine commented it was very apparent that the inflation factor that DFCM has been using in the budgeting has been on target. Contractors report that materials have somewhat stabilized, but labor rates are rapidly increasing by almost 10-15% this year. Construction inflation still exists in the market.

DFCM is in the final preparation of scheduled the Building Board tour this year on August 20 and 21.

**ADJOURNMENT .....**

**MOTION: Mel Sowerby moved to adjourn at 10:45am. The motion was seconded by Manuel Torres and passed unanimously.**