

# Utah State Building Board



## MEETING

August 11, 2010

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## **MINUTES**

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

Mel Sowerby, Chair  
George Daines  
Wilbern McDougal  
Sheila Gelman  
Cyndi Gilbert  
Steve Bankhead

### **DFCM and Guests in Attendance:**

|                     |  |
|---------------------|--|
| Gregg Buxton        | Division of Facilities Construction & Management |
| Kurt Baxter         | Division of Facilities Construction & Management |
| CeeCee Niederhauser | Division of Facilities Construction & Management |
| Lynn Hinrichs       | Division of Facilities Construction & Management |
| John Harrington     | Division of Facilities Construction & Management |
| Kim Hood            | DAS  |
| Ralph Hardy         | Utah System of Higher Education                  |
| Kimberlee Willette  | GOPB   |
| Rich Amon           | Legislative Fiscal Analyst Office                |
| Kim Hood            | Department of Administrative Services            |
| Ben Berrett         | Utah State University                            |
| Rich Amon           | Legislative Fiscal Analyst Office                |
| Ken Nye             | University of Utah                               |
| Cynthia Cook        | FFKR Architects                                  |
| Keith Davis         | Human Services                                   |
| LaPriel Dye         | Attorney General's Office/DFCM                   |

On Wednesday, August 11, 2010 the Utah State Building Board held a regularly scheduled meeting at the Utah State Capitol Complex, Room 250, Salt Lake City, Utah. Chair Mel Sowerby called the meeting to order at 8:05 a.m.

**APPROVAL OF MINUTES OF June 16, 2010 .....**

Chair Sowerby sought a motion for approval of the minutes.

**MOTION: Wilbern McDougal moved to approve the meeting minutes of June 16, 2010. The motion was seconded by George Daines and passed unanimously.**

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

Ken Nye was the spokesman for the University of Utah. He reported that under professional services agreements there were ten design agreements and five other agreements.

Under construction contracts, they had one contract for new space, six remodeling contracts and three site improvement contracts. He noted that under the new space contract for their guest house expansion, there was nothing unusual with this contract. It was a selection for the general contractor and that is why the dollar amount is so small. He indicated the contract is for preconstruction services at this point.

Under project reserve, they had one large increase for the Park Building Project resulting in \$665,000 left over which was transferred to the project reserve fund per statute. Mr. Nye commented that they were quite disappointed that they had that kind of money left over because they had additional work they would like to have accomplished.

Mel Sowerby asked if the additional work Mr. Nye was referring to a part of the exterior restoration? Mr. Nye replied that they were not able to complete the fire sprinkling system in all of the building because they didn't think they had enough money.

Director Gregg Buxton asked Mr. Nye if the \$665,980 was put in contingency? He further questioned whether that should go in the contingency account rather than the project reserve? Mr. Nye responded that they put it where they thought it was appropriate. He said they thought it was supposed to go in the contingency but they could switch it if needed. Director Buxton clarified that they have two accounts – contingency or project serve and there are restrictions on each account. He indicated that the funds should go to the project reserve account.

Mel Sowerby questioned that the funds were placed there by statute and Mr. Nye responded that he thought it was supposed to go to the project reserve but if it should be placed in contingency, because it was the contractor's contingency, then the University will make the change and place it in the proper account.

Ken Nye also indicated the rather large contingency was due to some savings and allowances. A fair amount of work involved an allowance and unit cost issue and they didn't need as many units in some areas as anticipated.

Ken Nye continued his report, stating that decreases in the project reserve were from the HPER Mall Tunnel & HTW Replacement. They are holding the design agreement on this project, but in order to expedite getting the work done, the construction was appended to the USTAR project. The USTAR project involved building the utility tunnel and since their utilities were actually tying in, they just added on to the utility tunnel and did it through USTAR. The construction bids that came in for that project came in at \$516,000 over the funding.

Director Buxton asked for the name of the contractor; if they competed for the job or was it direct award? Mr. Nye said it was Layton Construction and that his understanding was that Layton didn't have to compete for it because it was a change order for them but they did bid out the subcontractor costs. The way they worked the funding on the cost overrun was that they went back to the original funding for that project, which was \$5,000,000 from their infrastructure bond and \$2,489,000 from their capital improvement funds and it was the same ratio of sharing on the cost overrun with the capital improvement part coming out of project reserve and the infrastructure bond having to cover the larger portion of the cost.

Ken Nye reported the contingency reserve had one draw for their High Temperature Water Project in the Health Sciences area. They transferred \$88,000 to cover the cost of unknown conditions. Most of these costs involved problems in locating utilities that were not in expected locations or were difficult to locate. These costs involved utilities which were located at a much higher elevation than expected. The engineer determined that it would be less expensive to raise the elevation of the road by a foot or two, than to try to relocate all the utilities that were in the way.

Mel Sowerby asked if there was some sort of accountability for engineers who previously worked on these utility lines? He indicated that they were spending \$88,000 to relocate or correct some utilities that were not placed in the correct location. Director Buxton responded that adequate records have not been kept over the years to pinpoint the exact location of utilities. As a result construction crews run into lines that are in different locations or may be at a different elevation in the ground than was previously shown on the drawings. The utilities just aren't where they are supposed to be – they may be close, but they are not in an exact location. Weber State University recently had a similar problem during the demolition of their housing project.

Cindi Gilbert commented that “as built” drawings should be called, “should have been built” and Director Buxton clarified that the “as built” were not corrected or updated throughout the years. This is a problem on every campus.

Ken Nye said that in their case most of the utility lines they are working with at the University are thirty to sixty year old, so trying to go back to an engineer 60 years ago is pretty much impossible. Director Buxton suggested that Mr. Nye might try the State Archives to see if they have drawings of some of the infrastructure that would be helpful. Mr. Nye said that they have actually been using an Auto CAD schematic of the entire campus for utility systems. They are now having their schematics converted into GIS which does a very good job of tracking elevations. This had been such a problem for them that they previously brought in someone from across the country with a radar-like unit which was going to cost about \$40,000 to locate utilities in the ground so that they would know what was there in advance. This process was not any better than their current locating equipment so they began looking for something more effective.

The discussion continued with Mel Sowerby again questioning where the engineer’s responsibility ends? Do they not do field work or know where their utilities are located? George Daines responded that it is extremely difficult to locate historic utility lines in any construction project, whether it’s private or public. Most are grateful to find them on a grid, but if you have depth, well that is fantastic. He said that he thinks at the present time, engineers do calculate depths not related to ground levels but historically this wasn’t done. Mr. Nye confirmed this information.

Ken Nye said that one thing that makes the University of Utah campus different from a general city location is that everything on campus is owned by the University. The University isn’t required to keep utilities within an easement area where you get into the normal city area. Many times, contractors may be short on money and take the shortest direction. This change might be on an approved change order but may not get documented in the “as built” drawings which could show they are in a different location. For a number of years the University of Utah has had a surveyor on campus who actually records all of this for them as projects are built so that they don’t have to rely on contractor records. This will help in the future, but doesn’t help what took place years ago. Their biggest problem has usually been the elevation of the utilities underground rather than whether or not the utility was there.

**MOTION: Cyndi Gilbert moved to approve the administrative report for the University of Utah. The motion was seconded by George Daines and passed unanimously.**

Ben Berrett gave the administrative report for Utah State University. Mr. Berrett indicated they had two professional contracts issued this month and thirteen construction contracts. Most of the contracts were for their new capital improvement projects for this year. He indicated that if you look at the contingency reserve fund, those new capital improvement projects all contributed \$181,000 to their contingency reserve fund. They had two small projects that decreased the contingency fund by \$5,500 and \$2,800 for some minor change orders there.

The project reserve fund closed two projects which added a total of \$11,600 to the project reserve. They are just getting started on their new capital improvement projects and finishing up some from the previous year. This is a busy time of year for Utah State University because they do the majority of their capital improvement projects in the summer when the class loads are low.

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

There was further discussion after the motion concerning the delegation limit for Utah State. Ben Berrett understood it to be \$4,000,000 per project. Director Buxton said he would research this information.

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

Gregg Buxton gave some highlights of this month's DFCM report. He said there were no significant leases. The architect and engineering agreements had no significant items. There were thirty-three construction contracts awarded which included item #15, Strawberry DOT Maintenance Station Replacement. DOT is covering the difference between the construction budget and the award amount from the DOT funds. However there are some issues with the underground separator and they are working out those issues with the DOT. In addition there is item #22, SUU Boiler #1 Replacement. Project reserve funds were used to cover this bid which went over budget.

The contingency reserve fund had an increase as a result of a decrease change order. There was also a the decrease in new construction of the USU Life Science Research USTAR Building in the amount of \$447,295 and the SUU Gibson Science Center Addition with change orders #1-5 to the amount of \$138,626. In addition there was a decrease for a remodeling project for the Snow Campus Fire Alarm System Upgrade which shows a transfer of \$34,169 to cover change order items such as adding a strobe horn, replacing existing wiring in various buildings that couldn't be reused because of code violation, and to recertify and reprogram the fire panels.

There were no increases in the project reserve fund. These items reflect saving on projects that were transferred to project reserve per statute. At the present time there is a great bidding environment and that is why you will see these increases to the contingency reserve and the project reserve fund. Mr. Buxton said he would be happy to answer any questions.

Director Buxton invited CeeCee Niederhauser to come forward and present the details of the Capital Facilities Tour. CeeCee informed the Board that they were meeting at 9:00 am in the east parking lot. Each person has their vehicle assignment in their packet of information as well as an itinerary for the trip. She encouraged Board members to try to stay on schedule as much as possible. Director Buxton said he would like to encourage the Building Board members to discuss the projects as they ride together in the vehicles.

Sheila Gelman questioned if these were the projects that would be ranked this fall and Director Buxton said yes, they will rank and propose these projects. Ms. Gelman also wanted clarification if there would be additional projects added to the list like the previous year and Director Buxton said yes they would be ranking 26 projects.

Mel Sowerby suggested that we entertain a motion to adjourn.

**ADJOURNMENT**.....

**MOTION: Cindi Gilbert moved to adjourn at 8:36 a.m. The motion was seconded by Steve Bankhead and passed unanimously.**

There was considerable discussion concerning the vehicles and which Board members would be driving their own cars.