

# Utah State Building Board



## MEETING

March 6, 2019

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## MINUTES

### **Members in Attendance:**

Ned Carnahan, Chair  
Jeff Reddoor, Director  
Mike Kelley  
Joe Burgess  
Wendell Morse  
Chip Nelson  
Gordon Snow

### **Guests in Attendance:**

Patty Yacks	Building Board
Mike Smith	Building Board
Jim Russell	DAS - Division of Facilities and Construction Management
Darrell Hunting	DAS - Division of Facilities and Construction Management
Wayne Christensen	DAS - Division of Facilities and Construction Management
Sid Pawar	AJC Architects
Rob Cottle	Babcock Design
Julee Attig	Reaveley Engineers
Bob Askerlund	Salt Lake Community College
Malin Francis	Salt Lake Community College
Tyson Gregory	Salt Lake Community College
Alan Young	Spectrum
Steve Smith	University of Utah
Ben Berrett	Utah State University
Rich Amon	Utah System of Higher Education
Mark Halverson	Weber State University

On Wednesday, March 6, 2019, the Utah State Building Board held a regularly scheduled meeting in Suite 4112 of the State Office Building. The meeting was called into order at 9:00 A.M.

### **APPROVAL OF MINUTES FROM THE DECEMBER 5, 2018 BOARD MEETING**

Chair Carnahan asked for comments or corrections to the minutes from the December Building

Board meeting. None were brought forward.

**MOTION: Mr. Nelson moved to approve the minutes from the December 5, 2018 Board Meeting. The motion was second by Mr. Morse and passed unanimously.**

**☐ UNIVERSITY OF UTAH: APPROVAL FOR UNIVERSITY HOSPITAL CLINICS 1, 2 AND 3 REMODEL (NON-STATE FUNDED)**

Mr. Lundergan presented a request to remodel the Clinics 1, 2, and 3 portion of the University Hospital. The project scope includes the complete remodel of approximately 16,800 square feet of existing clinic space on level 1 of the University Hospital. This will result in improved patient waiting areas, larger exam rooms, new procedure rooms and more efficient staff areas. This clinic area will be used for the following health care services: infusion, infectious disease, international pre-travel, rheumatology, internal medicine, gastroenterology, pulmonary, and chronic disease. The proposed total project budget of \$9.7M will be funded through the university's Health Care Capital Budget. No state funds will be used for this project, future O&M or future improvements.

**MOTION: Mr. Burgess moved to approve the University of Utah's request for University Hospital Clinics 1, 2 and 3 Remodel, a Non-State funded project. The motion was second by Mr. Snow and passed unanimously.**

**☐ UNIVERSITY OF UTAH: APPROVAL FOR THE UNIVERSITY GOLF TEAM BUILDING (NON-STATE FUNDED)**

Mr. Smith presented a request to design and construct a Golf Team Building. The university's intercollegiate golf team does not currently have any training facilities designed for that purpose. This project will construct a 6,000 square foot training facility to provide indoor practice facilities as well as locker and meeting rooms. The project will be constructed near the intersection of 500 South and Guardsman Way, north of the Eccles Tennis Center. The proposed total project budget of \$2,497,923 will be funded through donations and other revenues of the university's Athletic Department. No state funds will be used for this project, future O&M or future improvements.

**MOTION: Mr. Morse moved to approve the University of Utah's request for University Golf Team Building, a Non-State funded project. The motion was second by Mr. Nelson and passed unanimously.**

**☐ FIVE-YEAR REVIEW OF RULE R23-3, PLANNING, PROGRAMMING, REQUEST FOR CAPITAL DEVELOPMENT PROJECTS AND OPERATION AND MAINTENANCE REPORTING FOR STATE OWNED FACILITIES**

Mr. Kelley recommended that the Board authorize the filing of the Five Year Notice of Review and Statement of Continuation for Rule 23-3. Rule 23-3 establishes policies and procedures for the authorization, funding, and development of programs for capital development and capital improvement projects and the use and administration of the Planning Fund. Currently, there is legislation that would impact this rule. If passed, the Board will review and make necessary changes.

**MOTION: Mr. Burgess moved to approve the Five Year Notice of Review and Statement of Continuation for Rule R23-3, Planning, Programming, Request for Capital Development Projects and Operation and Maintenance Reporting for State Owned Facilities. The motion was second by Mr. Snow and passed unanimously.**

**☐ FIVE-YEAR REVIEW OF RULE R23-29, DELEGATION OF PROJECT MANAGEMENT**

Mr. Kelley recommended that the Board authorize the filing of the Five Year Notice of Review and Statement of Continuation for Rule 23-29. Rule 23-29 provides the procedures for delegation of construction projects to the University of Utah, Utah State University, and the Utah Department of Transportation. It also provides for the use of partnering agreements between the Division of Facilities Construction and Management and State Agencies.

**MOTION: Mr. Snow moved to approve the Five Year Notice of Review and Statement of Continuation for Rule R23-29, Delegation of Project Management. The motion was second by Mr. Morse and passed unanimously.**

**❑ FIVE-YEAR REVIEW OF RULE R23-33, RULES FOR THE PRIORITIZATION AND SCORING OF CAPITAL IMPROVEMENTS BY THE UTAH STATE BUILDING BOARD**

Mr. Kelley recommended that the Board authorize the filing of the Five Year Notice of Review and Statement of Continuation for Rule 23-33. Rule 23-33 establishes a prioritization and scoring process for capital improvements that occurs annually before the Building Board. Currently, there is legislation that would impact this rule. If passed, the Board will review and make necessary changes.

**MOTION: Mr. Burgess moved to approve the Five Year Notice of Review and Statement of Continuation for Rule R23-33, Rules for the Prioritization and Scoring of Capital Improvements by the Utah State Building Board. The motion was second by Mr. Nelson and passed unanimously.**

**❑ SALT LAKE COMMUNITY COLLEGE: PROGRAMMING UPDATE ON JORDAN CAMPUS STUDENT CENTER**

Mr. Askerlund provided an update on the programming phase of Salt Lake Community College's (SLCC) Jordan Campus Student Center Project. Programming was successfully completed and the project is now in the design and development phase. Currently, costs are \$10/sqft. below what the CBE projected. The total project budget of \$15.6M is being funded through a \$13M bond, the remaining balance will be paid from SLCC student fee reserves.

**❑ ADMINISTRATIVE REPORTS FOR THE UNIVERSITY OF UTAH & UTAH STATE UNIVERSITY**

Mr. Nye delivered the administrative report for the University of Utah. There were 14 professional service agreements and 10 construction contracts issued. The report covers the period of November 20, 2018 – December 19, 2018.

The Professional Services Agreements awarded during this period consist of

- Item 1; U Hospital – Clinics 1, 2 & 3 Remodel  
Building Board approval of this project is being requested at the January 9 meeting. The A/E team was selected and this contract was issued for schematic design only in order to confirm the scope and cost of the project. The project will not proceed beyond conceptual design before the full approval is obtained.
- Item 5; Dumke Gymnastics Remodel and Addition  
Building Board approval of this project will be requested in a future meeting. The A/E team was selected and this contract was issued only for schematic design and site survey in order to confirm the scope and cost of the project. The project will not proceed beyond conceptual design before the full approval is obtained.
- Item 14; Kathryn F. Kirk Center for Cancer Care and Women's Cancer  
As this project is seeking legislative approval, DFCM authorized the University to manage the preparation of an architectural program so that the project is ready to proceed into

design immediately after the legislative session in March if legislative approval is given.

The Construction Contracts awarded during this period consist of:

- Item 1; School of Medicine Demolition  
Demolition of the School of Medicine was authorized as part of the Medical Education & Discovery project that was approved by the Legislature. This contract is for investigating and documenting existing conditions in order to assist the design of the demolition.
- Item 4; USTAR Nanofab Tool Install  
Due to an ongoing need for specialized mechanical work to install equipment and make other changes in the Nanofab Lab in the USTAR building, Alternative Mechanical Contractors was selected to perform various projects over the next five years on a time and material basis using established unit costs.

Report of Project Reserve Fund Activity

- No increases  
Decreases: Project 22113; Sidewalk Improvements – South Campus and Business Corridor This transfer of \$40,703 cover half of the construction bid versus the available budget. The University covered the other half (\$40,703) from other funds.
- Balance: The balance of \$468,787 will be needed to meet anticipated demands for currently authorized projects given the current market.

Report of Contingency Reserve Fund

- No increases
- Decreases:
  - Project 22072; Chemistry Building 4th Floor Lab Renovation. This transfer of \$69,653 covers the cost of three large unforeseen conditions. The largest, \$50,000, is to install an air barrier on the perimeter exterior walls along with insulation. During construction, it was discovered that a substantial amount of air leakage was occurring through the wall resulting in poor energy efficiency along with substantial difficulty in maintaining appropriate temperatures.
  - Project 22147; Wasatch Drive Area Rebuild  
This transfer of \$25,254 covers the cost of an unforeseen condition of a steel gas line that is over 50 years old. Due to inaccuracies in utility records, it was discovered upon excavation that 200 feet more of pipe had to be replaced than had been identified in bid documents.
  - Project 21642; HTW Distribution Completion  
This transfer of \$23,865 covers the cost of six different unforeseen conditions discovered during construction.
- Balance: Our analysis, using the same methodology employed by DFCM, indicates that the current balance of \$2,826,726 is adequate to complete the projects that have been authorized and does not reflect an excess balance.

Mr. Nye delivered the administrative report for the University of Utah. There were 10 professional service agreements and 15 construction contracts issued. The report covers the period of December 20, 2018 – January 22, 2019.

Report of Project Reserve Fund Activity

- Increases: Residual funds in a capital improvement project were transferred to Project Reserve per statute.
- Decreases: Project 22145; Bldg. 533 EIHG – Emergency Generator Replacement  
This transfer of \$77,080 covers the difference between the low bid and the available

construction budget.

- Balance: The balance of \$401,535 is less than we believe will be needed to meet anticipated demands for currently authorized projects given the current market. We have some projects in close out that will contribute residual balances over the next couple months that we expect will bring the balance back up to a sustainable level.

#### Report of Contingency Reserve Fund

- No increases
- Decreases: Project 22072; Chemistry Building 4th Floor Lab Renovation This transfer of \$40,050.33 covers a number of deficiencies in the bidding documents along with several unforeseen conditions. The more substantial deficiencies involved an inaccurate assumption regarding the pressure in the supply nitrogen line that required substantial changes in the nitrogen service lines in the lab as well as not addressing ventilation requirements associated with chemicals that are heavier than air.
- Balance: Our analysis, using the same methodology employed by DFCM, indicates that the current balance of \$2,752,621 is adequate to complete the projects that have been authorized and does not reflect an excess balance.

Mr. Nye delivered the administrative report for the University of Utah. There were 19 professional service agreements and 1 construction contracts issued. The report covers the period of January 22, 2019 – February 20, 2019..

There are no significant items to report for professional services agreements.

The Construction Contracts awarded consist of:

- Item 1; U Hospital – Clinics 1, 2 & 3 Remodel Building Board approval of this project is being requested at the March 6 meeting. The CM/GC firm was selected and this contract was issued for pre-construction services only in order to confirm the scope and cost of the project. The project will not proceed beyond conceptual design before the full approval is obtained.

#### Report of Project Reserve Fund Activity

- Increases: The transfer of \$52,967 reflects residual funds remaining when this capital improvement project was completed.
- No decreases
- Balance: The balance of \$454,503 is less than we believe will be needed to meet anticipated demands for currently authorized projects given the current market. We have some projects in close out that will contribute residual balances over the next couple months that we expect will bring the balance back up to a sustainable level.

#### Report of Contingency Reserve Fund

- No increases
- Decreases: Project 21675; HTW Plant Replace Generator #3 This transfer of \$51,439 covers the cost two design omissions totaling \$23,181 as well as the \$28,528 increase in the purchase cost of the HTW generator. While market increases are generally not compensable, the unique circumstances of the University's procurement actions for the generator in order to achieve consistency in the equipment installed made this purchase subject to market conditions until the order was formally placed by the contractor.
- Balance: Our analysis, using the same methodology employed by DFCM, indicates that the current balance of \$2,661,673 is adequate to complete the projects that have been authorized and does not reflect an excess balance.

Mr. Berrett delivered the administrative report for Utah State University. There were 7 professional service agreements and 4 construction contracts issued. The report covers the period of November 21, 2018 – December 21, 2018.

#### Report of Contingency Reserve Fund

- Two projects needed funds and no projects contributed to the contingency reserve fund during this reporting period. Based on an internal risk assessment, the University finds this fund's balance of \$715,187 to be adequate.

#### Report of Project Reserve Fund Activity

- No projects needed funds and three projects contributed to the reserve fund during this reporting period. Based on an internal risk assessment, the University finds this fund's balance of \$1,045,884 be adequate.

#### Current Delegated Projects List

- Of USU's 92 projects, 9 are pending, 28 are in the design/study phase, 39 are in construction, 10 are substantially complete and 6 are complete. The 6 projects completed during this period were Campus Wide Metering, Champ/OM Hill Sewer Line Repl., Edith Bowen Playground, Health, LS, Code, Asbestos FY18, Ray B. West Reroof and USUE Geary Theatre Bldg. Upgrades.

Mr. Berrett delivered the administrative report for Utah State University. There were 4 professional service agreements and 6 construction contracts issued. The report covers the period of December 21, 2018 – January 25, 2019.

#### Report of Contingency Reserve Fund

- Three projects needed funds and no projects contributed to the contingency reserve fund during this reporting period. Based on an internal risk assessment, the University finds this fund's balance of \$682,355 to be adequate.

#### Report of Project Reserve Fund Activity

- One project needed funds and no projects contributed to the reserve fund during this reporting period. Based on an internal risk assessment, the University finds this fund's balance of \$1,034,269 to be adequate.

#### Current Delegated Projects List

Of USU's 88 projects, 8 are pending, 26 are in the design/study phase, 43 are in construction, 11 are substantially complete and 0 are complete

Mr. Berrett delivered the administrative report for Utah State University. There were 3 professional service agreements and 5 construction contracts issued. The report covers the period of January 25, 2019 – February 22, 2019.

#### Report of Contingency Reserve Fund

- No projects needed funds or contributed to the contingency reserve fund during this reporting period. Based on an internal risk assessment, the University finds this fund's balance of \$682,355 to be adequate.

#### Report of Project Reserve Fund Activity

- One project needed funds and two projects contributed to the reserve fund during this

reporting period. Based on an internal risk assessment, the University finds this fund's balance of \$1,010,244 to be adequate.

#### Current Delegated Projects List

- Of USU's 88 projects, 7 are pending, 23 are in the design/study phase, 39 are in construction, 13 are substantially complete and 6 are complete. The 6 projects completed during this period were Aggie Chocolate Factory, Classroom Upgrades FY17, Concrete Replacement FY18, Education Suite 413 Remodel, Student Organic Farm Facility Design and USUE Price Library Remodel Design.

#### ADMINISTRATIVE REPORT FOR DFCM

Mr. Hunting delivered the administrative report for the Division of Facilities Construction Management. The report covers the period of October 15, 2018 – January 15, 2019. There are no significant updates to the lease report. 60 professional service agreements and 55 construction contracts were issued.

#### Construction Contracts:

- Item #5, St. George Courthouse A/C Unit Installation in Server Room: Courts funds were used to cover the difference on this bid over budget.
- Items #20 & 21, Heber Wells Building Controls Upgrade and Replace Hot Water Heater Pumps: This project is being used for the work described above. The costs for the water line break issues are also being charged to this project. These costs will be covered through a Risk Management insurance claim, which is still in process.
- Item #38, SLCC Jordan Campus Student Center Addition: This is a CMGC contract, so the balance of the costs will be done through bid packages and added as change orders as the project progresses

Contingency Reserve Fund, Capital Development started the period with \$10,931,596, had no increases totaling and multiple decreases totaling \$493,479, ending with a balance of \$10,438,117

Contingency Reserve Fund, Capital Improvement started period with \$7,508,386, had multiple increases totaling \$4,078,313 and multiple decreases totaling \$585,312, ending with a balance of \$10,931,596

The Project Reserve Fund had no activity, ending with a balance of \$2,123,181. The Improvement Project Reserve Fund started with a balance of \$4,068,270, had multiple transfers in of \$1,005,124 and 3 transfers from the fund of \$49,978, ending with a balance of \$5,023,416.

The current projection for the Contingency Reserve Fund analysis is an excess of \$2,596,953. DFCM would recommend against the Legislature taking any of these funds, due to the current construction market and costs escalations.

#### ADDITIONAL/FUTURE AGENDA ITEMS

This is Mr. Nelson's final meeting serving on the Building Board for 8 years. The Board thanked Mr. Nelson for his dedication and guidance. Chair Carnahan and Mr. Snow's final meeting will be on April 3<sup>rd</sup>. The Board has compiled a list of potential candidates to fill current and future vacancies. Final approval of these candidates will come from the Governor's Office. Director Reddoor announced his retirement at the end of the calendar year. There are three bills in circulation that will impact the Building Board's processes if passed. The Board will discuss these bills in a future meeting once the legislative sessions has concluded.

- S.B. 102 Higher Education Capital Facilities
- H.B. 349 State Building Amendments
- H.B. 255 Space Utilization Study

**□ ADJOURNMENT**

**MOTION: Mr. Nelson moved to adjourn the meeting. The motion was second by Mr. Burgess and passed unanimously.**

The meeting adjourned at 10:10 A.M.