

# Utah State Building Board



## MEETING

March 2, 2016

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## **MINUTES**

### **Members in Attendance:**

Ned Carnahan, Chair  
David Tanner  
Gordon Snow

### **Members Via Conference Line:**

Bob Fitch

### **Guests in Attendance:**

Jeff Reddoor  
Ken Hansen  
Kim Hood  
Eric Tholen  
Bruce Whittington  
Jim Russell  
Lee Fairbourn  
Dorothy Taylor  
CeeCee Niederhauser  
Alan Bachman  
Nicole Alder  
Rich Amon  
Ken Nye  
Dan Lundergan  
Bart Adams  
Mike Perez  
Jerry Jensen  
Greg Peay  
Ben Berrett  
Charles Darnell  
Bob Askerlund  
Malin Francis  
Clark Christensen  
Michael Horton  
Matt Price  
Jeff Burton  
Randy McKnight

Utah State Building Board  
Department of Administrative Services  
Department of Administrative Services  
Division of Facilities Construction & Management  
Attorney General's Office  
Attorney General's Office  
USHE  
University of Utah  
University of Utah  
University of Utah Health Care  
University of Utah  
Department of Corrections  
Department of Corrections  
Utah State University  
Utah State University  
Salt Lake Community College  
Salt Lake Community College  
Utah National Guard  
Utah National Guard  
Utah National Guard  
Utah National Guard  
Nephi City

Mark Jones	Nephi City
Kevin Griffin	Utah Department of Transportation
Jennifer Evans	Department of Human Services
Amy Mayberry	Company AP
Erika Erikson	Dave Robinson Architects
Jackie McGill	Spectrum Engineers
Julee Attig	Reaveley Engineers
Kim Johnson	Design West Architects

On Wednesday, March 2, 2016, the Utah State Building Board held a meeting in the Zephyr Room of the Rio Grande Building in Salt Lake City, Utah. Chair Ned Carnahan called the meeting to order at 9:05 am and welcomed Board members who were attending. He acknowledged Bob Fitch who fully participated in the meeting from a remote location. Board members Chip Nelson, David Fitzsimmons and Fred Hunsaker were excused from the meeting. In addition, the Chair introduced Eric Tholen as the new DFCM Director.

#### **❑ APPROVAL OF MEETING MINUTES OF DECEMBER 9, 2015**

Chair Carnahan asked for comments or corrections to the minutes. There were none.

**MOTION: David Tanner moved to approve the Minutes of December 9, 2015. The motion was seconded by Gordon Snow and passed unanimously.**

#### **❑ INFORMATION ON NEPHI CITY READINESS CENTER FROM THE UTAH NATIONAL GUARD**

Major General Jefferson Burton and Lt Colonel Matt Price from the Utah National Guard, with Mark Jones and Randy McKnight from Nephi City, presented a proposal from the UNG to construct a new 62,000 sf Readiness Center on 30 acres of property in Nephi, which is a strategic site to support the domestic and national mission of the Utah National Guard and the Homeland Reactionary Force mission. This location is situated off of the Wasatch Front, next to a major airfield, and less than two miles from a railhead for transportation of large equipment. The new facility will allow engineering units to be stationed with their equipment out of a major fault area should a major earthquake occur. The total project cost for this facility is approximately \$20 Million which will include utilities to the site (sewer, water, power and data), road improvements and buildings. The Federal Government's share of construction costs is \$12 Million. The Guard is requesting \$8 Million from the state which breaks down to 25% construction share (\$4 Million) for the project and 100% share of utilities to the site (\$4 Million). This project has been approved for federal funding. The target year for utilities is FY 2018 and construction of buildings in FY 2020. Jeff Reddoor informed General Burton that if SB 156 passes, the UNG may be able to use Capital Improvement Funds for the utilities portion of this project. General Burton emphasized that anything the state can do to expedite the installation of utilities to the site would help to move the project forward for priority federal funding. Two aging armories in the state would be closed after completion of the new Nephi Readiness Center. The Board discussed the prospect of a cooperative reduction of costs from the Power Company and the possibility of obtaining some sort of partnership for this project. General

Burton expressed appreciation to Nephi City for their generous contribution of property.

Chair Carnahan announced this agenda item was for information purposes only. The Board will hear more from the UNG as this project progresses.

**❑ REQUEST FOR APPROVAL FOR REMODEL OF 6<sup>TH</sup> FLOOR ORTHOPEDICS INPATIENT UNIT AT UNIVERSITY HOSPITAL**

Mike Perez, Vice President of Facilities, Dan Lundergan, Executive Director of University Hospital, and Bart Adams, Executive Director of the Orthopedic Clinic, presented the University's request to remodel the 6<sup>th</sup> Floor Orthopedics unit at the University Hospital. Mr. Lundergan explained this carefully scrutinized \$13.3 Million project will be funded by University Hospital funds. The University Hospital, constructed in 1981, is of sound structure and worthy of investment to promote greater usability and increased patient care. Bart Adams explained the patient population on the sixth floor consists of total joint replacement, spine, and multiple orthopedic trauma patients. Science, technology, and the use of physical therapy have enabled improved care of these types of patients and as a result, the space must be remodeled to accommodate these new technologies. Full ADA bathrooms of 67 sf are needed as well as upgraded rooms, patient gym, improved nursing stations and support spaces. Construction will take place in 4 phases over 12 - 15 months in order to accommodate consistent patient care. Preliminary capital budget estimates construction costs at \$9.1 Million with soft costs of \$4 Million, making the total project cost of \$481 sf, which is in line with similar healthcare space.

**MOTION: Gordon Snow moved to approve the Remodel of 6<sup>th</sup> Floor Orthopedics Inpatient Unit at the University Hospital. The motion was seconded by Bob Fitch and passed unanimously.**

**❑ REQUEST FOR APPROVAL OF NEW UDOT WEST VALLEY STATION**

Kevin Griffin, Maintenance Engineering Director for UDOT, explained the Mountain View Corridor project is entering it's second phase. The alignment of this corridor will run through the existing maintenance station. This project is on UDOT's Top Ten List for replacement. The new replacement station will be located 500 yards away on the Godfrey Trucking property which is currently being purchased. Costs for this project, estimated at \$5 Million, will be funded with UDOT funds. Mr. Griffin said UDOT has a new proto-type building that was designed for the new Hooper Maintenance Station and will be used for this facility as well. This has a smaller building envelope and is scalable to accommodate changes in the number of bays. Jeff Reddoor requested Mr. Griffin forward information on the square footage of the building.

**MOTION: David Tanner moved to approve the New UDOT West Valley Station. The motion was seconded by Gordon Snow and passed unanimously.**

**❑ REQUEST FOR APPROVAL OF NEW UDOT SNOWVILLE MAINTENANCE STATION**

Kevin Griffin explained this facility, also on the Top Ten List for replacement, was constructed in the late 1950's. The larger trucks needed for UDOT work will no longer fit in this facility. This project will be funded from the sale of the old Clinton Maintenance Station property with any

additional funds provided from UDOT funds. The new maintenance station will be constructed on the current Snowville Maintenance site.

**MOTION: Bob Fitch moved to approve the New UDOT Snowville Maintenance Station. The motion was seconded by David Tanner and passed unanimously.**

Board members voiced their desire for more information. Dave Tanner requested all future Maintenance Station proposals should come forward with more information such as a conceptual site plan with utility locations, etc. Chair Carnahan asked for a copy of UDOT's Top Ten List and requested an explanation of uniform designs, map of maintenance station locations, costs per square foot, and funding philosophy be provided to better educate the Board on these projects. In addition, the Board requested a five year plan for future UDOT facilities. Chair Carnahan suggested Mr. Griffin return to the Board in the near future with the requested information.

**❑ REQUEST FOR APPROVAL OF NEW UDOT COTTONWOOD MAINTENANCE STATION**

Kevin Griffin explained this facility, also on the Top Ten List for replacement, was constructed in the late 1960's. A small parcel of the Cottonwood Maintenance Station property was sold to Utah Power and Light two years ago. In addition, the city of Cottonwood Heights also purchased a small portion of the property in order to expand their public works area. The \$1.4 Million from this sale, coupled with the \$500,000 left over from the sale of the Clinton facility, and other State UDOT funds, will be used to replace the Cottonwood Maintenance Station on the existing site. There is plenty of acreage for this expansion. Mr. Griffin reported there are some significant EPA issues with drainage on the property and will be addressed during construction of the new facility.

**MOTION: Gordon Snow moved to approve the New UDOT Cottonwood Maintenance Station. The motion was seconded by Bob Fitch and passed unanimously.**

Board member Bob Fitch left the meeting. The remainder discussion items on the agenda were for informational purposes only and did not require action from the Board.

**❑ UDOT QUARTERLY REPORT**

Kevin Griffin stated this report includes the reporting period from September 2015 to February 2016. UDOT has advertised and is presently in design/construction of five salt storage facilities; specifically: Region One Complex, Region Two Wendover Facility, Region Three Levan Facility, Region Four Pintura Facility and Region Five Scipio Facility. UDOT is currently designing a new Inspection Building at the Monticello Port of Entry. The Hooper Maintenance Station is now in Phase II which includes the salt storage facility, sander racks, and additional grading and paving at the site. This should be completed by June, 2016. The Region One Morgan Facility (omitted from the report) is currently in the design phase. There was a small delay with this project due to property boundary descriptions but has now been resolved. UDOT does not have a Project Reserve Fund or Contingency Reserve and as a result, any increases to project costs are resolved by the Maintenance Code One Fund which holds a small reserve.

Board members noticed several projects were over budget. Mr. Griffin confirmed this was a current trend due to increase construction costs. Chair Carnahan suggested the Board tour one of the UDOT Maintenance Facilities on their next Capital Facility Tour.

#### □ UNIVERSITY REPORTS

Ken Nye, Facilities Business Director at the University of Utah, reported on the following three reporting periods:

**Reporting Period November 25, 2015 to December 23, 2015** – The University had 13 design agreements and 4 planning/other types of agreements. Construction contracts included six remodeling contracts and two site improvement. Project highlights included:

- 1) Design Contract -- Stadium Scoreboard and Sound Replacement Project which included the traditional architectural design award and the video/sound design;
- 2) Construction Contract – 525 East Office Building Remodel

The Project Reserve Fund saw an increase of \$152,500 when the Art & Architecture Fume Hood & Fire Protection Upgrade Phase 2 came in under budget. The decrease to the fund resulted in \$31,700 from the Field House Building Modification which came in over budget. Mr. Nye noted an error in the current balance of the Project Reserve which would be corrected in the March report.

**Reporting Period December 24, 2015 to January 20, 2016** – The University had five design agreements and four planning/other types of agreements. Construction contracts included five remodeling contracts and one site improvement. These were all normal processes with nothing significant to report for this period. Construction projects were primarily Capital Improvement Projects. There was insignificant activity in the Project Reserve Fund.

**Reporting Period January 20, 2016 to February 17, 2016** – The University had 9 design agreement and 10 planning/other types of agreements. Notable was the award of the Orthopedic Center Expansion Design. This project is being managed by the University per their delegation as the construction budget is under \$10 Million. Construction contracts included two CM/GC agreements which included the Alumni House Addition, which was authorized by the Legislature as part of the FY 15 Revenue Bond Bill, and the Stadium Scoreboard and Sound Replacement, which was authorized by the Building Board in December 2015. The Project Reserve Fund now shows the corrected balance of \$641,062.09. The Contingency Reserve had one substantial draw of \$91,027.42 for the High Temperature Water Plant Replacement Boiler #1 which involved a redesign on the project. Jeff Reddoor asked for clarification that the Project Reserve and Contingency Reserve were for Capital Improvement. Mr. Nye confirmed this and said the University follows the same statute as DFCM. The University recently performed a contingency analysis to assess the adequacy of the Contingency Reserve. This analysis indicated they had about \$500,000 more than needed; however, they have a \$9,000,000 High Temperature Waterline project in their future which they anticipate will utilize these funds. This waterline will be the last part of their Infrastructure Project.

At the conclusion of the University of Utah's report, Chair Carnahan welcomed Julie Fisher, Director of the Department of Heritage and Arts.

Ben Berrett, Director of Planning, Design and Construction for Utah State University, gave reports on the following three reporting periods:

**Reporting Period November 24, 2015 to December 31, 2015** – There were 2 professional

contracts and 7 construction contracts. Notable was the construction administration contract for NFS Mechanical System Phase 1 for the design team for \$14,275.00. There were a few decreases from the Contingency Reserve Fund: Morgan Theater Upgrade for \$17,943.57, which included a major HVAC upgrade, lighting, fire sprinklers, and catwalks. The ending balance for Contingency Reserve is \$612,930.52. The Project Reserve is at \$385,187.20.

**Reporting Period December 31, 2015 to January 22, 2016** -- There were 3 professional contracts and 10 construction contracts. Notable was Geary Theater Building Upgrades for design services to upgrade the theatre. This will include HVAC, electrical, and seismic work in Price. Most of the construction contracts were for asbestos abatement. The Contingency Reserve is at \$595,797.11. The Project Reserve saw an increase of \$113,652.15 for the Eccles Conference Center Auditorium Upgrade.

**Reporting Period January 22, 2016 to February 19, 2016** – There were 5 professional contracts and 11 construction contracts. Notable was a design contract for the NE Auxiliary Tunnel Extension which extends the tunnel and replaces utilities in the area between the Edith Bowen School and the Junction. This will prepare undersized and older utilities for growth in this area of campus. In addition, a contract for design services for Merrill Cazier Library Testing Center will convert several classrooms into a 300 person capacity testing center with a separate entrance from the library. Construction contracts included the Romney Stadium Scoreboard project which was divided in two parts – for scoreboard and sound system. The Merrill Cazier Library Testing Center construction contract was also listed. Lastly, the Medium Voltage Upgrades FY16 is for a cable project on the high voltage power system that goes to north campus and includes duct bank and sidewalk for this phase. The Contingency Reserve shows one small change order and a balance of \$587,822.98. The Project Reserve saw a small increase with an ending balance of \$506,832.20 which is a healthy level of funding. Jeff Reddoor requested a year-end report for Contingency and Project Reserve Funds. Mr. Berrett reassured Mr. Reddoor this report is produced annually at the end of the fiscal year.

#### ❑ ADMINISTRATIVE REPORT FOR DFCM

DFCM Director Eric Tholen explained DFCM has compiled their report for the past three months into one report. There were 3 new leases and 8 renewals of existing leases this reporting period. There were 66 professional service agreements (35 were for design and 31 planning/other agreements), and 53 construction contracts. None of the construction contracts used reserve funds. Notable are the three CMGC Contracts (Weber Valley Youth Center, Provo Courthouse, and U of U Ambulatory Care Complex) where the award amount is only a portion of the actual budget amount. There were 5 new space contracts, 35 remodeling contracts, 3 paving/roofing contracts, and 10 other.

The Capital Development Contingency Reserve Fund saw transfers to 15 projects this period for a total of \$1.55 Million and received funds from 2 new projects for a total of \$1.375 Million. The fund currently has a balance of \$6.9 Million. Mr Tholen corrected the report regarding the transfer of funds for WSU Tracy Hall Science Bldg (page 2), which should reference change orders #10 – 12 rather than #19 – 27.

The Capital Improvement Contingency Reserve Fund saw transfers to 12 projects for a total of \$178,000 and received funds from 124 projects for \$1.97 Million as a result of new Capital Improvement projects. The Capital Improvement Contingency Fund has a current balance of

\$6.99 Million. The Contingency Fund Analysis, included in their report, is a compilation of the development and improvement contingency, and identifies the total value and impact should contingency be needed through the life of these projects. The balance of this fund, at a glance, shows \$13.9 Million; however, it has a projected balance of less than \$700,000 in reserve should contingency be needed through the life of these projects. David Tanner suggested a five year historical analysis of the Contingency Reserve Fund may be helpful to the Legislature.

The Capital Development Project Reserve Fund had one transfer of \$15,638 with a balance of \$1.8 Million. There was moderate activity in the Capital Improvement Project Reserve which currently has a \$5.8 Million balance.

David Tanner questioned if DFCM receives a GMP for their CM/GC projects? Are these types of projects dependent on the Project Reserve Fund? Mr. Tanner expressed concern with the rapidly increase of construction costs in the market today and the risks involved. Mr. Tholen explained that DFCM negotiates a fee up front for pre-construction services. The GMP's are set after the design develops and budgets are in place. Jim Russell clarified that if a project is "split funded" or 100% non-state funded (donor), it is not accounted for in the DFCM Contingency or Project Reserve. Funds are held within the project until project completion and then, if "split funded" (for example 50/50 like the U of U), half of the change order would go to DFCM Contingency and the other half would go to the Institution's Contingency. Mr. Tholen referenced the contingency funds used for the Southwest ATC Allied Health & Technology Building which were "split funded".

Jeff Reddoor informed the Board on the four legislative bills being tracked this year.

- 1) SB 156 – State Facilities Amendments: Senator Harper – This bill funds capital improvements at 1.3%. It also requires the Board to create a process for adjustments of O&M. It takes O&M out as a line item and places the collection of O&M into a program and gives additional responsibilities to the Board.
- 2) HB 316 – Building Code Review and Adoption Amendments: Representative Brad Wilson – Code updates. We have suggested amendments to this bill.
- 3) SB 188 – Higher Education Capital Facilities: Senator Stephen Urquhart -- Allows Higher Education to manage their development projects. This bill will be followed closely due to its complexity.
- 4) SB 173 – State Fairpark Revisions: Senator Kevin VanTassell -- Will allow the State Fairpark to operate and do projects under their own authority, and removes DFCM from leasing oversight.

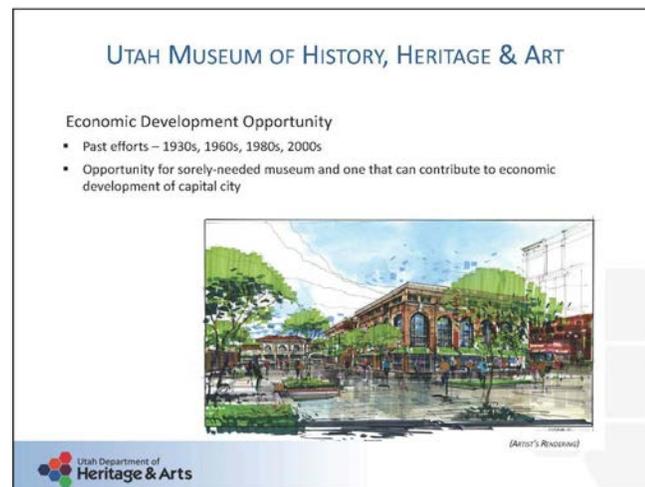
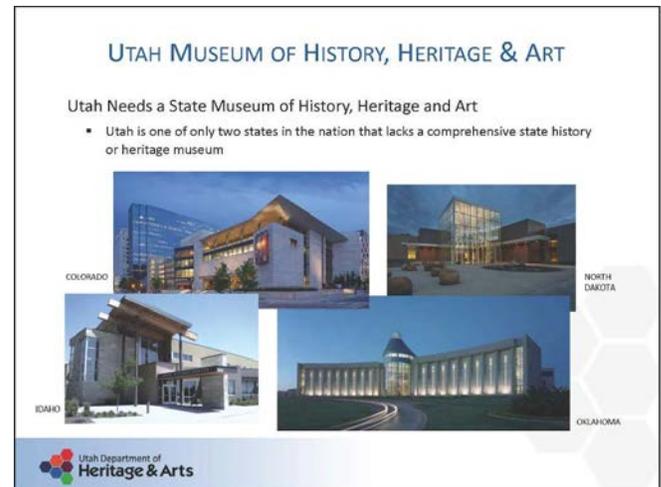
Mr. Reddoor also discussed HB 02, items 34 and 35 which lists the proposed funding for Capital Development Projects for FY 2017.

#### **□ ADJOURNMENT**

**MOTION: Gordon Snow moved to adjourn the meeting. The motion was seconded by David Tanner and passed unanimously.**

The meeting adjourned at 10:53 am.

At the conclusion of the meeting, Julie Fisher and Brian Somers from the Department of Heritage and Arts presented a short presentation; after which, Brad Westwood from State Historic Preservation led Board members on a tour of the Rio Grande Building.







Following the tour, the Board met for lunch in the West Lecture Room of the Rio Grande Building.