

# Utah State Building Board



## MEETING

April 22, 2013

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## **MINUTES**

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

N. George Daines, Chair  
David Fitzsimmons  
Chip Nelson  
Ned Carnahan  
Jeff Nielson  
Gordon Snow  
Kristin Cox, Ex-Officio

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

Rich Amon	Department of Administrative Services
Kim Hood	Department of Administrative Services
Lynn Hinrichs	Division of Facilities Construction & Management
Cee Cee Niederhauser	Division of Facilities Construction & Management
Kurt Baxter	Division of Facilities Construction & Management
Alan Bachman	Office of the Attorney General
Kimberlee Willette	Governor's Office of Management and Budget
Mark Bleazard	Legislative Fiscal Analyst
Juliette Tennert	Governor's Office of Management and Budget
Denise Austin	Division of Facilities Construction & Management
John Harrington	Division of Facilities Construction & Management
Wayne Christsensen	Division of Facilities Construction & Management
Rich Young	Division of Facilities Construction & Management
Jeff Reddoor	Division of Facilities Construction & Management
Bruce Whittington	Division of Facilities Construction & Management
Dorian Page	Southern Utah University
Dave Tanner	Southern Utah University
Ben Berrett	Utah State University
Sherry J. Ruesch	Dixie State College
Malin Francis	Salt Lake Community College
W. Ralph Hardy	Commission of Higher Education

Alyn Lunceford	Courts
Senator Wayne Harper	Utah State Senate
Representative Gage Froerer	Utah House of Representatives
Mike Perez	University of Utah
Cory Higgins	University of Utah
Ken Nye	University of Utah
Julie Attig	Reaveley Engineers
Tracy Neale	GSBS Architects
Brent Petersen	Davis Applied Technology College
Amber Craighill	BHB Engineers
Lyndy Lovelady	Eaton Architecture
James Kilpatrick	BNA Consulting
Keri Hammond	EDA Architecture
Kim Johnson	MHTN Architecture
Jim Michaelis	Utah Valley University
Frank Young	Utah Valley University
Darren Jones	Davis Applied Technology College
Jerry Jensen	Utah Department of Corrections
Paul Morris	Dixie State College
Roy Bartee	Wadman Corporation
Mark Halverson	Weber State University
Kevin Hansen	Weber State University
Tyler Brinkerhoff	Utah College of Applied Technology
Keith Davis	Department of Human Services
Salvador Mendez	Division of Juvenile Justice System
Eric Browning	University of Utah

On Monday, April 22, 2013 the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol Building, Salt Lake City, Utah. Chair George Daines called the meeting to order at 9:00 am and noted a quorum was present.

**APPROVAL OF MINUTES OF FEBRUARY 6, 2013**

Chair Daines sought a motion for approval of the minutes.

**MOTION: Ned Carnahan moved to approve the meeting minutes of February 6, 2013. The motion was seconded by David Fitzsimmons and passed unanimously.**

**UNIVERSITY OF UTAH CARLSON HALL, APPROVAL OF DEMOLITION**

Mike Perez introduced Dean Hiram Chodosh from the School of Law and John McNary, Director of Campus Planning at the University of Utah. The University is about to construct a new Law School Building and is requesting approval for the demolition of Carlson Hall which is located on

the building site and is a historic structure. Dean Chodosh reminded the Board that they had previously given approval for the new Law School Building and that demolition of Carlson Hall is the last step in that process. Consideration was given to renovating Carlson Hall to become part of the Law School facilities but it was determined that this is not feasible given particular challenges. Prior to coming to this conclusion, the University performed substantial study and analysis of alternatives. The University worked to obtain community input regarding the demolition of Carlson Hall, required by the Utah State Historic Preservation Officer (SPHO) and is about to execute the Memorandum of Agreement with SPHO which will allow for removal. Dean Chodosh pointed out that this location is the primary gateway to campus from the south; served by public transit and major parking resources. Currently the University community and general public are greeted by a solid rock wall and aggressively sloped embankment which restricts access not only to any new building but also to the entire University. In the placement and arrangement of the new School of Law, great care will be taken to create both a gracious corner garden entry for the new School and an expanded landscaped streetscape along South Campus Drive. Both building and site will provide a newly accessible route into the campus where none now exist. Director John McNary informed the Board that the proposal to remove Carlson Hall was formed by three principles that were suggested by the Advisory Council on Historic Preservation: 1) Focus on the significance, 2) Be guided by the University mission, and 3) Manage resources wisely. These three guiding principles helped the planning committee determine that demolition was the best option for the University. Chair Daines asked if there were any comments from the general public. There were none at this time.

**MOTION: David Fitzsimmons moved to approve the Request for Demolition of Carlson Hall as presented. The motion was seconded by Ned Carnahan and passed unanimously.**

**☐ CAPITOL PRESERVATION BOARD REALLOCATION OF CAPITAL IMPROVEMENT FUNDS**

Kurt Baxter reported the Capitol Preservation Board has requested to reallocate funds to address two serious needs in the Capitol Building. First, the Preservation Board has been directed by the Governor's office to modify the vehicle access gates for the secured parking area to secure additional safety and security. Second, the remainder of this funding would be used to address an issue related to numerous door failures throughout the building. During the State Capitol Restoration Project, the decision was made to reuse the old locks and door hardware in an attempt to keep the historical look and feel of the building. This old hardware has been failing repeatedly, leaving exterior doors often unsecured. As a result, maintenance is spending a significant amount of time and money making these repairs as they happen. The most cost effective solution is to use this funding for a long term repair of all faulty door hardware. The amount allocated would be \$157,000 for these two projects.

**MOTION: Gordon Snow moved to approve the Capitol Preservation Board Reallocation of Capital Improvement Funds. The motion was seconded by Chip Nelson and passed unanimously.**

☐ **CAPITAL IMPROVEMENT PROCESS AND NEW LEGISLATION**

DAS Deputy Director, Rich Amon explained that during the 2013 General Session the Legislature modified the State Building Board statute (63A-5-104) and also included intent language requiring DAS and DFCM to study the capital improvement prioritization process. This year the Legislature allocated \$87 Million for capital improvements. This is about one percent of the replacement value of these projects and is more than it has been in the last several years. As the Legislature continues to allocate funds for projects, we want to make sure that these resources are going to the most needed projects in order to leverage these scarce resources. Mr. Amon invited the Board to join DFCM in exploring three concepts to improve this process, which are 1) Metrics and accountability (How do we know and understand the conditions of our buildings), 2) Transparency (for the Board as well as all the entities involved in this process), and 3) Partnership (This includes the Board, Legislators, the Governor's Office, as well as Institutions and Agencies so that we are all trying to focus on need). The intent language is to study this process with a timeline to come back to the Committee in July with a framework for discussion of how this should move forward. There are five key items from Senate Bill 278 included in your informational packet.

- 1) Additional Information in the 5-year book
- 2) Direction of Allocation of Capital Improvement Funds
- 3) Requirement of Legislature to fund O & M for non-state funded buildings at the time they approve the building
- 4) Lowers 1.1% Capital Improvement Funding Requirement in FY14
- 5) Further clarification on Allocating Capital Improvement Funds.

Mr. Amon also introduced the Facilities Condition Assessments which are required by state statute. This program was impacted by budget reductions during the economic downturn and needs to have additional funding reinstated. Kurt Baxter will address this in his presentation on Capital Improvement Funding.

☐ **PRESENTATION ON FACILITIES CONDITION ASSESSMENT**

Bruce Whittington, Assistant Director of Facilities at DFCM distributed copies of an example of a Facilities Condition Assessment prepared by Faithful+Gould. The purpose of the Facilities Condition Assessment is to have an independent evaluation of the major building components as well as the shell of the building, the window systems etc. It forecasts the remaining useful life expectancy for each component as well as provides an estimated replacement cost over the next ten years. This detailed process involves a summary of facility information known at the time of the study, the scope of the work performed, an equipment inventory, evaluation of the visually apparent condition of property together with a capital expenditure forecast of expenditures anticipated over the next ten years. In addition there is a simple building summary which contains information such as location, square footage, major components of the building, as well as current replacement value and adjusted replacement value. An example of key findings are on pages 5 and 6 where they recommend that the EPDM single-ply roof membrane be replaced in 2015 and the overhaul of rooftop units as well. The chart shows the breakdown

by components. Evaluators look at the building shell, interiors, services containing HVAC equipment, electrical, plumbing as well as site work. Pages 7, 8 and 9 show the definition of the facilities condition index, the current index on this particular building, and the projected future index of this building. The facility condition index is an industry rating system that gives a score to a facility based on its condition. It is simply a formula that takes the amount of deferred maintenance items divided by the replacement costs. The ranking systems are set. A ranking of 0-5% means the facility is in good condition. A ranking of 5-10% means the facility is in fair condition and greater than 10% is poor condition. This sample building is actually the Randall Jones Theater at Southern Utah University. It shows the deferred maintenance issue, (the current was \$30,000 with the replacement value of \$6 Million) so the FCI rating on this building is ½ of 1 percent which is very good condition. The second line of the table forecasts conditions as we anticipated expenditures over the next 10 years. If they were not performed, the condition index would go to 11.6 which would take it to poor condition. Page 11 and 12, shows the impact on this building and what might occur if these needs are not taken care of and when this would likely occur. The vendor prioritizes needs in forecasted years and categorizes them in a priority system as 1, 2, 3. Priority one is life-safety, code compliance or ADA related issues. Priority two is a critical issue. Priority three means it is not critical and indicates the equipment is coming to the end of its expected use or life.

A report is generated from the system showing all of the identified needs over the next 10 years along with the projected costs in the year they will be required. The amount of \$900,000 has been appropriated by the Legislature for the assessment program this year. State statute requires that DFCM complete these assessments on a five years rotation. Gordon Snow expressed concern with funding the Faithful+Gould Assessment program. If there were another downturn in the economy and funding pulled, would that create problems of never being able to catch up on assessments? Mr. Whittington said that is why this information is so valuable. It ensures that DFCM spends these limited funds on appropriate projects. This program is even more appreciated in an economic downturn so that taxpayer dollars are not wasted but are spent on the most needful projects. There was discussion concerning the prioritization of allocations, standardization, the standard of measure, the accuracy of the SUU report, and the ISIS Report which was previously used as well as the infrastructure for buildings included in the study.

Chair Daines welcomed Representative Gage Froerer and Senator Wayne, members of the Infrastructure and General Government Subcommittees.

#### **☐ ALLOCATION OF FY 2014 CAPITAL IMPROVEMENT FUNDS**

DFCM Program Manager, Kurt Baxter distributed copies of the Recommendations for the Allocation of FY 2014 Capital Improvement Funds. He explained that in September, DFCM receives a list from agencies and institutions for their Capital Improvement requests. These submittals include a description of their project as well as ISIS numbers. From this information, DFCM determines the most important projects. A project manager is assigned to visit the project, verifies the work needed and obtain a cost estimate. Next, the projects are allocated based on a share of replacement value for their buildings. So, if a large institution has a larger number of buildings they will be getting a larger share in order to take care of those buildings

based on their request. The Legislature determines the amount that will be allocated for the year so the allotment is then based on those shares and top priorities. This year there was about \$1.8 Million that was not allocated and has been added to the list. In addition, the numbers have changed a little based on additional findings from the agencies since their original submittals (see attachment). Mr. Baxter explained the Summary of Replacement Costs of Facilities vs. Share of FY2014 Capital Improvement Funding which shows the total allocated to Higher Ed and State Agencies (see attachment). Higher Ed funding was \$51,561,000 which was 62.35% of funding and 61.34% replacement costs. State Agencies received \$31,139,000 which was 37.65% of funding and 38.66% of the replacement costs. \$5,000,000 is being used for statewide funding issues with a grand total of \$87,700,000. The Summary of Capital Improvement Funding from FY2010 to FY1014 shows amounts allocated this year as well as allocation for Higher Ed and State Agencies during the past five years (see attachment). It also includes the percentages of the total funding each year. There were a few last minute requests for the list submitted on Friday which did not make the list today. These will be included and presented to the Board for approval next month if they cause changes to the FY 14 Capital Improvement list. Chair Daines asked if there were any agencies or institutions who were not satisfied with their allocation. Alyn Lunceford from Utah Courts and Jerry Jensen from Corrections expressed concerns with their allocation and requested further consideration for their request. They were instructed to work with Kurt Baxter and return to the Board for approval of their change in allocation.

**MOTION: Chip Nelson moved for approval of the Allocation of FY 2014 Capital Improvement Funds as presented by DFCM and that changes in this allocation be reviewed as they occur on a case by case basis during the fiscal year. The motion was seconded by Ned Carnahan and passed unanimously.**

Senator Wayne Harper addressed the changes in the allocation process from percentage to needs based. The intent of the new legislation is to involve the Building Board more in this process, and to make the process better and more equitable so that focus is on addressing the most needful projects with the funding allocated. Chair Daines expressed appreciation and reminded Senator Harper and Representative Froerer that the Board needs further interaction and communication with leadership of the IGG Subcommittee so that there is support and consistency with the funds allocated. Representative Gage Froerer said that the IGG Subcommittee would like to see less allocation based on percentages and more from critical needs on the priority list. Allocations of one-time funding may decrease in the future. As the state continues to build facilities there will be an increase in need for capital improvements so critical needs should have priority. He stated that regionalization or voting districts should have no influence in determining where the funding should be directed. Gordon Snow added that if there was enough money to ever bring the Capital Improvement List current, then this would be an ideal system. If there isn't enough money, every one of these institutions and agencies have a lengthy list which could possibly never be completely funded in one year. Then it is a matter of allocating possibly by square footage or costs of facilities owned or maintained and that equates to a percentage. We are not there yet and the principle of the project remains the same. Senator Harper explained that the IGG Subcommittee appreciates the recommendations of the Board. This process referred to is similar to what is used by UDOT for their road projects.

It takes politics out of the selection and enables choices to be made by a scoring process.

**❑ CHANGE OF LOCATION FOR BUILDING BOARD MEETINGS**

Rich Amon said that DAS leadership thought it might be useful if some Board meetings were held at campuses of higher learning or state agencies so that an hour could be spent after the meeting to tour the facility and look at improvements or building needs. Suggestions for future meetings would involve a possible tour of infrastructure at the U of U Campus, the New Classroom Building at UVU, or Human Services Building here on the Wasatch Front. Chair Daines expressed concern with the additional time and travel but clarified that these visits may lessen the number of stops at the Building Board Tour this summer. Chip Nelson said he felt the Board existed to represent all state agencies and Institutions and did not like the idea of visiting location just on the Wasatch Front. He felt it would be more beneficial to meet on Capitol Hill so that more members of the Legislature could be in attendance. Mr. Nelson said if the Chair felt a specific site needed to be visited by the Board, he would be willing to do so. Ned Carnahan and Gordon Snow also said that additional travel would cause a hardship since they travel long distances to attend the Board meeting. They would prefer meeting on Capitol Hill. David Fitzsimmons said he lives locally and was in favor of visiting state facilities as often as possible. He expressed the idea that Board members could be more involved with the facilities in their localities by visiting sites on their own. Jeff Nielson liked the idea of consistency in location for meetings but felt it was a good idea to visit various locations. Chair Daines said that he did not feel that the Board should make a motion today. There will be some changes in the Board today and it would be appropriate to defer voting until those changes have been made.

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

Ken Nye reported that the informational packet contains two monthly reports due to the cancellation of the March meeting. The first report with a cover letter dated February 15, 2013 has ten design agreements and one planning/study/other agreement awarded during this reporting period. None were significant. Under Construction Contracts, there were nine remodeling contracts with nothing unusual there. Item 4: Fort Douglas PX Building Remodel is a Construction Management/General Contractor Agreement. The initial agreement is for pre-construction services and the remaining costs will be added later by change order. Item 6: Genetics Building 533 Heating Pipe Replacement is a project where the heating pipes began failing causing substantial damage to the building and equipment. This contract was awarded on an emergency basis to address the most problematic sections of the system. The University obtained bids from three contractors without going through a ten-day advertising procedure. The Capital Improvement funds that the Building Board redirected to this purpose in its last meeting will be used to replace the rest of the heating water pipes in the building. That work will be bid separately using standard procedures. The Project Reserve Fund had no activity. The Contingency Reserve saw two small deductions totally about \$14,000 which were to address unknown conditions. The second report with a cover letter dated March 18, 2013 has seven

design agreements and six planning/study/other agreements awarded during this reporting period. Notable is Item 7: Genetics Building 0533 Heating Water Piping Replacement which is the agreement for the design for the additional scope of work on this project. Under Construction Contracts, there were five remodeling contracts and one site improvement contract. Item 1: Tanner Dance Building 101 Abatement, is to abate the building in preparation for demolition which is to be removed to make way for the new Student Life Building as was anticipated when the Student Life Project was approved by the Legislature. The Project Reserve Fund had no activity. The Contingency Reserve saw an increase from the Genetics Building Heating Water Piping Replacement project. This is the amount budgeted for contingency for this project. It is transferred into the Contingency Reserve as required by law. Decreases to the fund came from the Social & Behavioral Science Building – Replacement of three Elevators. Due to the emergency condition that arose with the Heating Water Pipes in the Genetics Building, the Building Board redirected all but the design budget from this project to the Genetics Heating Water Pipe project. As a result, the amount previously transferred to the Contingency Reserve was transferred back to the project so that it could be included in the amount redirected to the Genetics project.

**MOTION: Gordon Snow moved to accept the Administrative Report for the University of Utah. The motion was seconded by Ned Carnahan and passed unanimously.**

Ben Berrett from Utah State University reported that the informational packet contains two monthly reports due to the cancellation of the March meeting. The first report with a cover letter dated February 15, 2013 shows there were six professional contracts and five construction contracts issued during this reporting period with nothing notable due to the size of the projects. In addition there was one small decrease from the Contingency Reserve Fund for the BNR Fire Protection Phase II to add some additional smoke detectors on the third floor and wiring for exit signs. The Project Reserve Fund shows an increase of \$2,347 for the closing of the Skaggs Lab Remodel. This remodel was for two lab rooms and included replacement of boilers, air handler, exhaust system, condensers, and fume hoods. Utah State is careful not to call this a remodel or renovation under the new rules because this was actually a mechanical upgrade since ninety percent of this project was on the mechanical system. For the March 18, 2013 report, there were two professional contracts and seventeen construction contracts, which were small projects except for the FAV Cooling Project which is the Fine Arts Visual Building. This project includes the replacement of two hair handlers, the addition of cooling for these two handlers and connection on to the central plant. The Project Reserve Fund shows a decrease of \$268,785 to award the FAV Cooling contract which made it a \$1.4 Million construction contract. The balance for the Project Reserve is at \$320,636.

**MOTION: David Fitzsimmons moved to accept the Administrative Report for Utah State University. The motion was seconded by Chip Nelson and passed unanimously.**

**☐ ADMINISTRATIVE REPORTS FOR DFCM**

Kurt Baxter reported there were no significant items on the Lease Report but it does include the changes in square footage and rates, as DFCM has renegotiated leasing rates. There were twenty-seven architectural engineering agreements and seventeen construction contracts awarded but nothing noteworthy. The Contingency Reserve Fund started out at \$8.7 Million. There were numerous additions to the fund because of new projects. There have also been numerous deductions. The final balance of the Contingency Reserve is \$8.4 Million. Kristen Cox asked what percentage of projects pull from the Contingency Reserve? Mr. Baxter answered that every project is allocated a certain amount of contingency when the estimates are created for that project. For example, for remodel projects it could be as much as 9% and for new projects as little as 3%-4%. Every project will probably use contingency at some point based on unknown conditions when it comes to improvements because there is so much that we don't know. There are a few exceptions but they are not common. Page 37 shows the report of the Project Reserve Fund which began at \$6.2 Million. There were three decreases which leaves the ending balance of \$5.7 Million in Reserve. There are a few projects in the Project Reserve from FY2013 that were cancelled. These projects will be reallocated at the next month's Building Board meeting and include a project from State Mail Services and an ABC Roofing Project (\$300,000).

Cee Cee Niederhauser asked whether the Board would be meeting on May 1 which was nine days away. She indicated there were few agenda items for this date. The next meeting was scheduled for June 5<sup>th</sup>. Chair Daines suggested a cancellation of the May meeting.

**MOTION: Chip Nelson moved that the May 1, 2013 Board meeting be cancelled. The motion was seconded by Jeff Nielson and passed unanimously.**

Rich Amon and Kim Hood expressed appreciation for three departing Building Board members. He presented Chair George Daines, Jeff Nielson and Sheila Gelman (not present) with a plaque commemorating their years of service to the Board.

**☐ ADJOURNMENT .....**

**MOTION: David Fitzsimmons moved to adjourn the meeting. The motion passed unanimously.**

The meeting adjourned at 11:35 am.