

# Utah State Building Board



## MEETING

September 9, 2015

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## **MINUTES**

### **Members in Attendance:**

Ned Carnahan, Chair  
Chip Nelson  
David Tanner  
Gordon Snow  
David Fitzsimmons  
Bob Fitch

### **Members Absent:**

Kristen Cox, Ex-Officio  
Fred Hunsaker

### **Guests in Attendance:**

Jeff Reddoor  
Kim Hood  
Bruce Whittington  
Jim Russell  
CeeCee Niederhauser  
Lee Fairbourn  
John Harrington  
Bianca Shama  
Brad DeMond  
Darrell Hunting  
Alan Bachman  
Nicole Alder  
Ralph Hardy  
Rich Amon  
Ken Nye  
Mike Perez  
Sarah Boll  
Jonathan Bates  
Ben Berrett  
Malin Francis  
Angela Oh  
Tracy Neale  
Mike Smith

Utah State Building Board  
Department of Administrative Services  
Division of Facilities Construction & Management  
Attorney General's Office  
Attorney General's Office  
USHE  
USHE  
University of Utah  
University of Utah  
University of Utah  
University of Utah  
Utah State University  
Salt Lake Community College  
Legislative Fiscal Analyst Office  
GSBS Architects  
Utah State Building Board

Jon Gibb	Dixie State University
Chris Coutts	Architectural Nexus
Greg Peay	Utah Department of Corrections
Robert Brems	UCAT
Tyler Brinkerhoff	UCAT
Kim Johnson	Design West
Jordan Rushton	DXATC
Mark Halverson	Weber State University
Jennifer Evans	Department of Human Services
Lin Alder	McKinstry
Darek Sagers	Utah National Guard
Richie Wilcox	GOMB
Joseph Grimmett	Utah National Guard
Bryan Webb	Layton Construction
Josh Haines	Layton Construction
Kelle Stephens	DXATC
Jim Nielson	Dixon & Associates
Joe Smith	Method Studio, Inc
Joshua Greene	Method Studio, Inc
Cindy Moxley	Southern Utah University
Julie Attig	Reaveley Engineering
Rep. Jon Stanard	Utah House of Representatives
Rep Lowry Snow	Utah House of Representatives
Rep. Don Ipsom	Utah House of Representatives
Senator Steve Urquhart	Utah State Senate
Commissioner Zach Renstrom	Washington County Commissioner's Office

On Wednesday, September 9, 2015, the Utah State Building Board held a regularly scheduled meeting in Room 250 of the Utah State Capitol Building in Salt Lake City, Utah. Chair Carnahan called the meeting to order at 9:00 am. Chair Carnahan welcomed Representative Lowry Snow, Representative Don Ipsom, DAS Director Kim Hood and UCAT President Rob Brems to the meeting.

**APPROVAL OF MINUTES OF JULY 8, 2015 AND AUGUST 20, 2015 MEETING AND TOUR**

Chair Ned Carnahan asked if there were any additions or corrections to the minutes. There were none.

**MOTION:** Chip Nelson moved to approve the Minutes of the July 8, 2015 Meeting and the August 20, 2015 Meeting and Tour. The motion was seconded by David Tanner and passed unanimously.

**FUNDING CERTIFICATION FOR DIXIE APPLIED TECHNOLOGY COLLEGE PERMANENT CAMPUS**

Jeff Reddoor reviewed the requirements for certification as required in SB 2. DXATC President,

Kelle Stephens introduced Representatives Don Ipson, Lowry Snow, and Jon Stanard, County Commissioner Zach Renstrom, along with Josh Haines from Layton Construction, and Joe Smith and Josh Greene from Method Studio. Ms. Stephens explained they are returning to the Board with the required documentation needed for funding certification. They have reduced the original scope of their project from 177,000 SF to 150,000 SF. The budget has been reduced from 44.9 Million to 39.9 Million. DXATC has a commitment of \$31.9 Million in state funds, \$8 Million in a bond from Washington County to fund their project. In addition, private donations in the amount of \$157,000 are in hand with future commitment for \$350,000. This private funding will be used for alternates, or equipment which would be later added to the project. Gordon Snow expressed his support for the project but voiced concern with the \$8 Million bond from Washington County. He was under the assumption that the County was making a contribution and later learned this was not the case but would be a debt against the building. Ms Stephens reassured Mr. Snow there would not be a lien on the building. Representative Jon Stanard said DXATC has worked closely with Legislative Fiscal Analyst Jonathan Ball and Counsel Jonathan Fellows. The practice of having a county or entity own a portion of the building and having the school lease that portion of the building with a \$1 buy out at the end to return back to state ownership has been done many times before and is not unusual. There is also the possibility of the state making the bond payment which would be brought forward at the next Legislative session. With either possibility, Ms. Stephens assured the Board that DXATC has a budget which is more than adequate to make the bond payment. In addition, every community in Washington County has pledge their financial support (each at a different level from \$100,000 to \$1,000 annually) so with help from the community and the present amount DXATC uses for their lease payments, there is adequate funds to pay the bond. There was also discussion concerning Washington County issuing a general obligation bond which would eliminate any encumbrance on the state. Jeff Reddoor clarified that O & M for the building was originally funded for \$1,366,440 at \$7.22 SF. The adjusted amount with the reduction in square footage is \$1,083,000 annually. This approximately \$300,000 adjustment in O & M will be addressed by the Legislature if they so choose. David Tanner expressed his support and referred to the letter from Layton Construction and Method Studio indicating the cost of the project at \$39.9 Million and expressed concern that the total project cost not be exceeded. Mr. Haines said they are confident the building could be constructed for this amount.

**MOTION: Gordon Snow moved to approve the Funding Certification for Dixie Applied Technology College Permanent Campus and asked that the bonding issue be referred to the State Treasurer's Office for review of the appropriateness of the type of bond, cost, or determination of payment in the next Legislative session. The motion was seconded by David Tanner and passed unanimous.**

Representative Steve Urquhart was also welcomed to the Board Meeting.

□ **UNIVERSITY OF UTAH REQUESTS APPROVAL TO REMODEL SPACE IN BUILDING 3 OF THE MIDVALLEY HEALTH CARE COMPLEX FOR THE MIDVALLEY CLINIC BULK PHARMACY AND HOME INFUSION CLINIC**

Mike Perez, Associate Vice-President of Facilities, and Jonathan Bates, Director of Real Estate at the University of Utah and Director of the Research Park, reported Midvalley Healthcare

Complex Building 3 is in need of a remodel. Total cost of the project is \$4,460,000 to address 12,000 GSF. The remodeled space will house the Bulk Pharmacy which is currently at Research Park and accommodate the ongoing changes in the pharmacy industry for centralized and automated pharmacy order filling. In addition, the University's Home Infusion Clinic, likewise in Research Park, needs to expand and relocate to a more central location with easier access to central transportation for patients. This newly remodeled location, in the heart of the valley, will solve this issue and provide a substantial savings on rent. This is a non-state funded project with revenues for project cost and O&M coming from University of Utah Health Care operating revenues. This project has received approval from the Board of Regents and the University's Board of Trustees

**MOTION: Chip Nelson moved to approve the University of Utah's Request to Remodel Space in Building 3 of the Midvalley Health Care Complex to House the Midvalley Clinic Bulk Pharmacy and Home Infusion Clinic. The motion was seconded by Bob Fitch and passed unanimously.**

□ **UNIVERSITY OF UTAH REQUESTS APPROVAL FOR THE RENOVATION OF THE "525 PLAZA" FOR THE UNIVERSITY NEUROPSYCHIATRIC INSTITUTE (UNI) ADULT BEHAVIORAL CLINIC**

Mike Perez reported the "525 Plaza," located across 100 South from the U of U's Hospital & Clinics Business Services Building, is the designated location for the University's Neuropsychiatric Institute which currently leases space at Research Park. This relocation will provide 36,000 GSF of clinic space and office remodel with an anticipated annual rent savings of \$90,000 from their current space. The proposed budget for this non-state funded project is approximately \$6,900,000 and will be funded by the University Research Foundation and the University of Utah Hospital and Clinics. This remodel will also provide the needed space for the University's Perinatal Education, Risk Management, Health Informatics, Nursing Informatics and EPE/Value Engineering Departments out of the University Hospital as well as the School of Medicine. These strategic relocations further decant the School of Medicine building in advance of its eventual demolition. This project will also address major building upgrades to basic building infrastructure and involve HVAC improvements as well as ADA and life safety code compliance.

**MOTION: David Fitzsimmons moved to approve the University of Utah's Request for Renovation of the "525 Plaza" for the University Neuropsychiatric Institute Adult Behavioral Clinic. The motion was seconded by Bob Fitch and passed unanimously.**

□ **AMENDMENTS TO DFCM RULE 23-3 PLANNING AND PROGRAMMING FOR CAPITAL PROJECTS**

Assistant Attorney General, Alan Bachman, provided the Board with an additional handout on this agenda item which contains edited language to clarify the current practice. R23-3-7 Restrictions of Programming Firm should read:

*(1) The Division may in its sole discretion based on the interest of the State, determine whether a programming firm (person) may be able to participate in any or all of the*

- design or other similar aspects of a project.*
- (2) *If the selection of the programming firm is also to include their selection in the future design work without a new solicitation being issued, then the solicitation for programming firms shall so indicate.*
- (3) *If there is any restriction of a programming firm to participate in future selections of a project, the Division, shall provide this restriction in any competitive solicitation, if there is one, that may be issued for selecting a programming firm. If there is no solicitation for the selection of the programming firm (i.e. sole source, small purchases, emergency procurement, etc.), then Division may simply provide any restriction of the firm's future participation in any other aspect of the project, by placing the restriction in the contract.*
- (4) *Notwithstanding any provision of this Rule or any other Rule of this Board, the Division may terminate or suspend programming and design contracts at any time consistent with the provisions of the contract.*

Mr. Bachman requested approval from the Board for these amendments and if there are no objections during the 30 day comment period, then the rule could be made effective without having to bring it back to the Board.

Chip Nelson had concerns with R23-3-5 and asked if the reimbursement of funds for programming comply with SB 217. Jeff Reddoor reassured Mr. Nelson that there would be additional rule amendments that would address SB 217 in the future.

**MOTION:** David Tanner moved for approval of the Amendments to DFCM Rule R23-3 Planning and Programming for Capital Projects and specified if there aren't any negative comments during the 30 day comment period, that the rule be made effective without bringing it back to the Board. The motion was seconded by David Fitzsimmons and passed unanimously.

□ **AMENDMENTS TO DFCM RULE 23-7 STATE CONSTRUCTION CONTRACTS AND DRUG AND ALCOHOL TESTING**

Alan Bachman explained this amendment consists of non-substantive changes that were a result of changes previous made to the state's procurement code. He requested the Board's approval and permission to file.

**MOTION:** David Tanner moved for approval of the Amendments to Rule R23-7 State Construction Contracts and Drug and Alcohol Testing and requested if there aren't any negative comments during the 30 day comment period, that the rule be made effective without bringing it back to the Board. The motion was seconded by Chip Nelson and passed unanimously.

Jeff Reddoor requested that Agenda Item #7, Amendments to DFCM Rule 23-32 Rules of Procedure for Conduct of Utah State Building Board Meetings, be moved to the end of the meeting.

□ **AMENDMENTS TO DFCM RULE 23-3 PLANNING AND PROGRAMMING FOR CAPITAL PROJECTS**

Jeff Reddoor explained this Administrative Rule addresses the rule making requirements as required in SB 217 and addresses the reporting requirements for standards and rules in regard to the new Capital Development Project Request & Feasibility Statement. The new portion of this Rule is R23-3-10.

**MOTION:** Gordon Snow moved for approval of the Amendments to Rule R23-3 Planning and Programming for Capital Projects and requested if there aren't any negative comments during the 30 day comment period, that the rule be made effective without bringing it back to the Board. The motion was seconded by David Fitzsimmons and passed unanimously.

□ **APPROVAL OF THE REVOLVING LOAN FUND FOR THE UNIVERSITY OF UTAH**

Prior to this request, a revised loan application in the amount of \$203,000 was distributed to the Board. Bianca Shama, DFCM Energy Program Director and Sarah Boll, University of Utah Energy Manager reported the Natural History Museum is a unique structure with specific, year long, temperature and humidity requirements in many areas of the building. This has resulted in huge utility expense due to leakage in the building envelope and between collection rooms. The current utility cost per year is \$379,000. The University of Utah has requested a loan from the State Facility Energy Efficiency Fund to address these issues. The project includes:

Envelope details to seal penetrations and rooms	\$75,000
Re-commissioning mechanical systems	\$53,000
Construction Work	\$75,000

This project will have a projected annual cost savings of \$54,000 with a payback in 3.75 years. Board members express disappointment that a five year old building would have these kinds of issues. Ms. Shama responded that the new high performance building standard has responded to these issues and focus on building envelope is a much larger component. David Fitzsimmons added that a large complex building would need to be recommissioned periodically as they age and change. Some of these issues may be due to age and some due to design.

**MOTION:** Chip Nelson moved for approval of the Revolving Loan Fund for the University of Utah. The motion was seconded by David Fitzsimmons and passed unanimously.

□ **FACILITY MAINTENANCE STANDARD REVISIONS**

Jeff Reddoor explained the recent revisions in the Facility Maintenance Standards reflect assignments from SB 217 concerning rule making and standards for O&M tracking/reporting and metering. The new additions to this document include:

Corrective Maintenance

*3.5 The agency and institution shall report to the Utah State Building Board Director a current and accurate operations and maintenance costs tracked to the individual building level for any facility measuring 3,000 GSF or greater. For locations consisting of multiple facilities that*

*individually do not meet the minimum GSF requirement shall be required to report operations and maintenance costs at the campus/complex level. Reporting for individual building O&M cost shall be reported no later than December 31, of each year.*

*3.6 All operations and maintenance expenditure reports for both direct and indirect cost shall contain current and accurate costs including but not limited to: Utilities, (electrical, gas/fuel, and water in certain cases steam, high temp water, chilled water and sewer may need reporting), labor, materials, custodial, landscape & grounds services, insurance, travel, leasing and rent.*

#### Energy Management

*11.2 All individual building utility costs (gas, electric, water, etc.) at facilities meeting the criteria listed in section 3.5 of the Facility Maintenance Standards shall be metered and reported back to the Building Board Director annually by December 31, of each year and made available at the facility so that energy usage can be accurately determined and optimized.*

The Maintenance Standard Revisions were emailed to state agencies and institutions of higher education for review and comment.

**MOTION: David Tanner moved to approve the Facility Maintenance Standard Revisions. The motion was seconded by Chip Nelson and passed unanimously.**

Chip Nelson also expressed appreciation to Jeff Reddoor and members who participated in the Building Board's Subcommittees for their excellent work with these revisions.

#### □ **DFCM'S REVISED SPACE STANDARDS**

Chair Carnahan asked DFCM Program Manager, Jim Russell, to report on the energy issues with the Natural History Museum. Mr. Russell reported the building pre-dates the new high performance building standards and particularly the air barrier and envelope standard. Presently, air barriers are tested on a new facility as a mock-up before new systems are installed and as a whole building. The issues currently happening today at the Natural History Museum would have been discovered during the construction phase and resolved at that time. It is a design, construction and manufacturing issue. He agreed with Mr. Fitzsimmons that these buildings should be checked periodically to ensure the measures put in place for energy conservation are still present and working especially on a large and complicated building.

Jim Russell also introduced Sarah Miller with MHTN Architects who assisted in revising the space standard. The standards were brought before the Board in March, 2015 with earlier revisions; however, at the time, the Board requested additional changes be made to the document. Section one addresses the current and recently proposed standards as well as a report on the study process and recommendations. The newly proposed standard, in section two, addresses functionality as well as highly efficient space use making state standards consistent with space usage in other states and in the private sector. Ms Miller added that activity and function are now the basis for space assignments rather than status or position. These Revised Space Standards were sent to agencies and institutions for feedback last month. When the input has been received, this document will return to the Board for approval. This standard will be used for all state buildings but not higher education facilities. Jeff Reddoor

mentioned that in the future this revised standard will assist with additional requirements from SB 217 for space utilization.

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

Ken Nye, Director of Business Services at the University of Utah, reported the University had an unusually heavy volume of procurement for both professional services and construction contracts during this reporting period. There were 29 professional service agreements and 29 construction contracts. With construction contracts, there was one notable item – the HVAC Controls Upgrade for the Marriott Library. The manufacturer of the original HVAC control system was competitively bid, however, in order to have a compatible system for the entire building, it was necessary to award this contract on a sole source basis to this same company since they are the only firm licensed to install Honeywell Control Systems in Utah. Substantial reviews were performed to ensure that appropriate costs were charged for this contract. There was one increase to the Project Reserve Fund for a project that came in under budget as per statute. The Contingency Reserve Fund had one notable decrease of \$31,000 on the Social & Behavioral Science Structural Repairs Basement for unforeseen conditions including conduit found under the basement slab that was discovered to have been infiltrated with moisture and the relocation of fire protection lines with associated replacement of anti-freeze to meet current code requirements

Ben Berrett, Director of Planning, Design and Construction at Utah State University, reported they had 10 professional services contracts and 27 construction contracts issued. Notable was the Kaysville Building Addition for programming services and the USU Eastern Cosmetology Relocation for remodel space at the USUE Career Center. The Contingency Reserve Fund had decreases from the Morgan Theater Upgrade to replace smoke vents, demo ceiling upgrade dimmer panel and reroute roof drain for \$139,659.00, and the Old Main Roof Replacement North Wing involved added plywood over existing roof framing for \$76,762.00. The Contingency Reserve Fund is in good order. There were no changes to the Project Reserve Fund.

□ **ADMINISTRATIVE REPORT FOR DFCM**

DFCM Interim Director, Bruce Whittington reported DFCM processed ten leases for agency customers this month – one for new space and nine for renewal of space. In addition, DFCM awarded 67 professional service agreements and 46 construction contracts during this reporting period. Of those 46 contracts, three projects used Project Reserve Funds toward their contracts

Capital Development Contingency Reserve Fund: During the last reporting period DFCM transferred money out of the fund to ten projects ending the year with a \$2.3 Million balance. Year to date, in FY 2016 DFCM has transferred money to an additional seven projects and received money into the fund from one project. The balance has increased from \$2.3 Million to \$2.9 Million.

Capital Improvement Contingency Fund: DFCM closed the year out transferring money to 22 projects and the fund received money from six projects. The fund ended with a balance just

under \$4.1 Million. Year to date projections through FY 2016 shows a transfer from eight projects and received money from one project with a balance of \$1.2 Million.

Capital Development Project Reserve Fund: DFCM closed out FY 2015 with \$1.8 Million in the fund and has experienced no activity for several periods. Previously, the Legislature took a sizable amount of money from this account during the last fiscal year resulting in added caution with this fund.

Capital Improvement Project Reserve Fund: DFCM closed out FY 2015 with \$5.1 Million balance. However, year to date, with minimal activity, shows the fund at \$5.2 Million.

Contingency Reserve Fund Analysis: This report contains a quarterly Contingency Reserve Fund Analysis where DFCM projects the possibility of every project participating in the Contingency Reserve Fund. The results of this analysis show that DFCM would continue to have a slight positive balance of \$149,000. The fund balance is not as high as DFCM would like, but could handle small issues if needed. However, if a large contingency issue were to surface, this could become problematic.

□ **AMENDMENTS TO DFCM RULE 23-32 RULES OF PROCEDURE FOR CONDUCT OF UTAH STATE BUILDING BOARD MEETINGS**

Alan Bachman reported that the previous language for this rule does not match with the current policies of the Board concerning independence between the Board and DFCM. The previous rule required the Director of DFCM to serve as secretary to the Board. The amended rule reflects the direction from the statute indicating, “the Department of Administrative Services shall provide administrative and staff services to enable the Board to exercise its powers and discharge its duties and shall provide necessary space and equipment for the Board.” Mr. Bachman requested the Board approve these amendments and if there aren’t any objections, this rule could be filed with the Department of Administrative Rules without having to come before the Board again.

**MOTION:** David Fitzsimmons moved for approval of the Amendments to Rule R23-32 Rules of Procedure for Conduct of Utah State Building Board Meetings and requested if there aren’t any negative comments during the 30 day comment period, that the rule be made effective without bringing it back to the Board. The motion was seconded by David Tanner and passed unanimously.

□ **DISCUSSION OF FUTURE AGENDA ITEMS**

Jeff Reddoor reminded the Board of the Capital Development Hearings on October 7<sup>th</sup> followed by the Business Meeting and scoring of projects on October 8<sup>th</sup>.

□ **ADJOURNMENT**

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

The meeting adjourned at 10:43 am.