

Utah State Building Board



MEETING

September 10, 2014

MINUTES

Members in Attendance:

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

Members Excused:

David Fitzsimmons
Kristen Cox, Ex-Officio

Guests in Attendance:

Jeff Reddoor
Alan Bachman
Matt Lund
Kim Hood
Rich Amon
Bruce Whittington
Josh Haines
Jim Russell
Lee Fairbourn
Darrell Hunting
CeeCee Niederhauser
Michael Smith
Ralph Hardy
Ben Berrett
Ken Nye
Mike Perez
Mack McDonald
Sherry Ruesch
Tiger Funk
Jerry Jensen
Kevin Griffin
Linda Hansen
Heidi Nielsen

Utah State Building Board
Attorney General's Office
Governor's Office of Management and Budget
Department of Administrative Services
Department of Administrative Services
Division of Facilities Construction & Management
Utah State Building Board
USHE
Utah State University
University of Utah
University of Utah
Department of Human Services
Dixie State University
Southern Utah University
Department of Corrections
UDOT
Ensign Engineering
FFKR Architects

Lori Haglund	VBFA
Heather Knighton	MHTN
Malin Francis	SLCC
Lyndy Lovelady	TSA Architects
David Browdy	University of Utah
Grant Lasson	University of Utah
Stephanie Ray	Psomas
Julee Attig	Reaveley Engineers
Chris Coutts	Architectural Nexus
Jeff Palmer	Layton Construction
Xani Haynie	VCBO Architecture
Alyn Lunceford	Utah Courts

On Wednesday, September 10, 2014 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 Ned Carnahan called the meeting to order at 9:03 am.

☐ APPROVAL OF MINUTES OF JULY 9, 2014, AND AUGUST 20 & 21, 2014.

Chair Carnahan asked if there were any corrections or additions to the minutes of July 9, 2014. There were none.

MOTION: David Tanner moved to approve the Meeting Minutes of July 9, 2014. The motion was seconded by Fred Hunsaker and passed unanimously.

Chair Carnahan asked if there were any corrections or additions to the minutes of August 20 & 21, 2014 Capital Development Tour. There were none.

MOTION: Fred Hunsaker moved to approve the Minutes of the Capital Development Tour of August 20 & 21, 2014. The motion was seconded by Bob Fitch and passed unanimously.

☐ REVIEW OF SOUTHERN UTAH UNIVERSITY'S MASTER PLAN FOR 2014.

Tiger Funk, Director of Facilities Management and Planning for SUU explained that on July 18th SUU's updated master plan was approved by the Board of Regents. Updates include a reorientation of the Bud Bowman Field, which was originally oriented in a north/south fashion and is more accurately portrayed in an east/west position, the Center for the Arts site, and the updated location of the Juniper Hall demolition and removal site. Mr. Funk talked about the new Business Building that was presented to the Board during their tour this summer and indicated that the location of this new building was yet to be determined. This agenda item was for informational purposes only.

☐ UTAH COURTS MASTER PLANNING AND BUILDING EVALUATION PROGRAM

Alyn Lunceford, Facilities Director for Utah Courts explained that the State Courts evaluates each of the 41 courthouse facilities each year based on Rule 3-409 of the Utah Court Rules. Utah Courts uses this evaluation to set the priorities for Capital Development and Capital Improvement requests. Mr. Lunceford included the Ten Year Master Plan Evaluation Criteria and the Summary of Facility Evaluations. This study evaluates all Court facilities as of January

1, 2014 and is based on security, building condition, court function (adequacy), county size and county growth potential as described in the evaluation criteria. Jeff Reddoor asked if Utah Courts uses the Faithful & Gould Condition Assessment in evaluating each building. Mr. Lunceford indicated half of their buildings are not state owned so they did not use this particular condition assessment program but will be used when they evaluate their state owned buildings. Mr. Lunceford talked about possible funding for future Court facilities and explained the process Courts uses in conducting building evaluations. This agenda item was for informational purposes only.

Chair Carnahan recognized Kim Hood, Director of Department of Administrative Services and thanked her for attending the meeting.

☐ AMENDMENTS TO DFCM RULE 23-22, GENERAL PROCEDURES FOR ACQUISITION AND SELLING OF REAL PROPERTY

Assistant Attorney General Alan Bachman explained this rule was rewritten several months ago. As a result of this rewrite, the Board recognized several changes they would like to make. This rule has now been fine-tuned and reviewed by the DFCM Real Estate Group and several members of the Board. Mr. Bachman recommended this rule be filed with the Division of Administrative Rules if there aren't any negative comments during the 30-day comment period. Board members asked for an explanation of the difference between a licensed general appraiser and a MAI. Mr. Bachman indicated that a MAI (Member Appraisers Institute) is a very specific category of a certified appraiser and signifies a professional designation.

MOTION: Chip Nelson moved to approve Amendments to DFCM Rule 23-22, General Procedures for Acquisition and Selling of Real Property with the understanding that it be filed with the Department of Administrative Services if there are no negative comments during the 30 day comment period. The motion was seconded by David Tanner and passed unanimously.

☐ FIVE YEAR REVIEW AND STATEMENT OF CONTINUATION FOR RULE R23-2, PROCUREMENT OF ARCHITECT-ENGINEERING SERVICES

Assistant Attorney General Alan Bachman explained this rule is set to expire and will become unenforceable and removed from the Utah Administrative Code if it is not renewed. This rule establishes the procedures for the procurement of architect-engineer services by DFCM. Months from now this rule may be edited, but at the present time it needs to be continued so that it is not erased from the books. Mr. Bachman requested the Board approve the Five Year Review and Statement of Continuation.

MOTION: David Tanner moved to approve the Five Year Review and Statement of Continuation for Rule R23-2, Procurement of Architect-Engineering Services. The motion was seconded by Gordon Snow and passed unanimously.

DFCM Director, Josh Haines indicated the DFCM would meet to review this rule at later date.

☐ REQUEST FOR APPROVAL OF DESIGN AND CONSTRUCTION FOR THE UNIVERSITY OF UTAH FARMINGTON AMBULATORY CARE CENTER

University of Utah staff reporting on this agenda item included: Mike Perez, Associate Vice President of Facilities Management, Grant Lasson, Associate Vice President for Strategy at Health Sciences and David Browdy, Chief Financial Officer at Health Sciences. Mr. Perez explained this project is consistent with the Master Plan that was previously presented to the Board. Mr. Lasson explained their proposed project to build an ambulatory care center in Farmington. Currently there are about 55,000 Davis County residents that use the U of U healthcare facility in Salt Lake. A new health facility in Davis County would reduce the amount of congestion around campus and add a level of convenience and services for patients in the Davis County area. This facility will provide training for doctors, nurses, pharmacists, physical therapists and easy access for patients participating in clinical research studies. The proposed facility will be modeled like the South Jordan ambulatory facility but on a smaller scale with a total of 130,000 square feet. Project budget is estimated at \$63,000,000. The University of Utah Healthcare System is budgeting \$5,000,000 for startup costs. The project will be funded by operating revenues and cash balances saved over time in anticipation of this new project. O&M will be paid by clinical revenues.

MOTION: Gordon Snow moved to approve the Request for Design and Construction of the University of Utah Farmington Ambulatory Care Center. The motion was seconded by David Tanner and passed unanimously.

❑ REQUEST FOR APPROVAL OF THE UNIVERSITY OF UTAH BIOMEDICAL POLYMERS REMODEL

Mike Perez reported that the Biomedical Polymers Remodel is part of a master plan to reorganize, realign and reinforce research activities at the University of Utah. This proposed project will remodel existing space within the building to accommodate multiple researchers currently located in other areas on the Health Sciences Campus. Work includes remodeling several spaces which include a majority of research laboratories, common areas, offices and conference and equipment space. The proposed budget is a little over \$3.8 Million and will be funded by revenues derived from donations, research activities, research grants and other operations that do not involve state appropriated funds. There will be no increase to annual O&M. The remodel will take place in levels three, four and five of this structure and include 26,000 sf of remodeled space which is about \$145 per square foot. Chair Carnahan commented the cost per square foot was very reasonable.

MOTION: Fred Hunsaker moved for approval of the University of Utah Biomedical Polymers Remodel for Design, Bid and Construction. The motion was seconded by David Tanner and passed unanimously.

❑ REQUEST FOR APPROVAL OF THE HENRY EYRING CHEMISTRY, SKAGGS BIOLOGY AND BIOLOGY BUILDING HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS UPGRADES AT THE UNIVERSITY OF UTAH

In an effort to increase energy efficiency and curb rapidly growing energy costs, the University of Utah continues to strive for projects that reduce energy use. As part of their commitment to this effort, the University has set a goal to reduce energy consumption 20 percent by the year 2020. Mike Perez reported the University performed an analysis of 14 buildings on campus and selected three buildings for upgrades. The scope of the work includes mechanical system upgrades and retrofits designed to reduce energy consumption in these three energy intensive

lab buildings. This will result in an estimated energy cost savings of \$677,000 in the first year and the University anticipates this savings will increase as the years go by and the cost of energy rates increase. This \$7.8 Million project will be funded by the University's working capital and will be paid back by energy savings. Chair Carnahan commented this project had an eleven year pay off.

MOTION: Fred Hunsaker moved for approval of the Henry Eyring Chemistry, Skaggs Biology and Biology Building Heating, Ventilation and Air Conditioning Systems Upgrades at the University of Utah for design, bid and award of construction contract. The motion was seconded by Bob Fitch and passed unanimously.

Mike Perez introduced John Nixon, the new Chief Business Officer for the University of Utah. Mr. Nixon, greeted the Board and expressed appreciation for their service.

□ ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Ken Nye from the University of Utah reported there were nine design agreements and six planning/study/other agreements. Notable was the Wall Mansion Renovation which was the former LDS Business School which is being modified for University use. This design agreement was awarded to Cooper Roberts Simonsen Architects on a sole source basis under the provision in the State Procurement Code that provides for direct award without competition when this is "a condition of a donation that will fully fund the full cost" of the item. CRSA has been engaged by the former owner of this property to perform the design of this project prior to the property transferring to the University. The donors who are funding this project then required the continued use of CRSA as a condition of their donations. Chair Carnahan clarified that Rule 23-2-19 does allow for this to occur. Mr. Nye continued with there were 15 remodeling contracts and two site improvement contracts. These were also sole source contract awards. The first one was for repainting the 14 houses in the University's housing area and was awarded to Utah Correctional Industries. The second was for the Hoberman Arch Removal which was awarded to Erichsen Construction Services due to their extremely unique knowledge and skill required to disassemble, relocate and then reassemble the Hoberman Arch. The Hoberman Arch is a symbol of the 2002 Olympic Winter Games and is considered a "one-of-a-kind" piece of art. After the Winter Games the University reached an agreement with the Salt Lake Organizing Committee that the Arch could stay on campus until the year 2014. The Arch has numerous restrictions for its use and care. Erichsen Construction has previously disassembled and reassembled the Arch four times with its relocations. The University determined there was no other source qualified to perform this work without causing substantial potential liability to the University. Recently, the Arch was disassembled and placed in storage until Salt Lake City can determine where it should be permanently located. Mr. Nye said there were active discussions about where the Arch should be located in the future. The Project Reserve Fund had an increase which represents the residual balance in this capital improvement project which is transferred to Project Reserve per statute. The decrease of \$338,000 is from the July 9th Meeting where the Board approved the reallocation of funds for the Biomedical Polymers Elevator Renovation. There were three projects with substantial decreases to the Contingency Reserve Fund – Henry Eyring Building North Tower East Fumehood for \$132,112.85, the Replace HVAC Controls for \$112,943.25, and the Southwest

Area Chilled Water Distribution for \$83,157.00. This resulted in an ending balance of \$1,420,710.64.

Ben Berrett from Utah State University reported they had seven professional contracts and twenty construction contracts this month. Notable was the Morgan Theater Upgrade for \$116,250.00 which is the design for the mechanical system upgrade in this building. The Fine Arts Center Roof was an asphalt recoating project and Innovation Campus Water Line was an upgrade to the water lines in that area. USUE Library Concrete Replacement Project was for exterior work on the Library Plaza where steps were crumbling. The Contingency Reserve Fund had two change orders which affected the balance. One involved ADA Upgrades in the Moab location as well as replacing sidewalk and parking lot sealant. The second change order was on a parking lot paving project on their main campus. The Project Reserve Fund had four projects close out and is at a balance of \$319,365.53.

❑ ADMINISTRATIVE REPORTS FOR THE DEPARTMENT OF TRANSPORTATION

Kevin Griffin reported that UDOT usually does not advertise their construction projects for the next fiscal year until November and as a result the June and July Report will not show new contracts as of this date. UDOT does not have a Project Reserve Fund. UDOT has updated their project list since the last time it was presented to the Board. Missing from this list under Region 1 Area is the Hooper Maintenance Facility which is currently located in the Clinton area. Mr. Griffin explained that many UDOT facilities were built in isolated rural area approximately thirty to fifty years ago. As the population has expanded in these areas, there is now a big push by developers to purchase these properties. As a result UDOT is using their Capital Improvement Funds to move this facility to a new location in Hooper which is very rural. Another project missing from the list is a facility in Lehi, located on the East Frontage Road of I-15 just south of SR 92. UDOT was approached by a developer who has purchased that whole area and is building a new hospital there. In turn, they worked out an agreement last year to do a turnkey project for them – they purchased the UDOT facility in Lehi and in turn UDOT purchased a new piece of property which is about a quarter mile to the south. They are building a new facility for UDOT at this location which will be completed by the end of this month. There was a question concerning the timing of new projects going out for bid. Mr. Griffin answered that a contractor's current building year usually winds up during the month of November and they are looking to fill their rosters for the next summer. As a result, UDOT is able to obtain better bids which result in a substantial cost savings.

❑ ADMINISTRATIVE REPORT FOR DFCM

DFCM Director, Josh Haines reported there were no significant changes to the DFCM Lease Report this reporting period. There were 39 Professional Contracts issues this month. Notable Construction Contracts include SUU for \$28 Million, U of U Parking Structure for \$13 Million and Utah Courts of approximately \$6 Million. There were minimal change orders. Dave Tanner questioned Change Order #12 for the USU Huntsman School of Business. He questioned how the Fire Marshall could review this project and later returned and asked for a fire alarm system for \$50,000. Mr. Haines indicated this is a reoccurring problem for DFCM. Mr. Tanner urged DFCM to find a way to get a more thorough review so that this type of massive change order does not occur. Mr. Haines said there is no consistency in the review process from the Fire Marshall's Office and agreed change was needed. Jim Russell stated that Deputy Fire Marshalls out in the field are not the same as the plan reviewers. Changes should be made

during the project's initial plan review and not during the construction phase. After considerable discussion, Mr. Tanner suggested the State Building Board move forward with a communication to the State Fire Marshall's Office encouraging them to review projects more thoroughly, follow through and provide more consistency in order to avoid change orders of this nature which increase the cost of the project. Mr. Tanner also questioned change orders involving window replacements at the State Fairpark. Mr. Haines indicated windows were coated in lead-based paint and the contractor could not complete the work due to this hazard. DFCM felt that window replacement was the best option. Mr. Haines also explained about the change order percentage for the State Hospital on page 28. This number is misleading since there was a new pod added by change order to the hospital site which contributed significantly to change order amounts and overall percentages. The Project Reserve as per HB 2 had a transfer of \$5,100,000 to the General Fund.

❑ DISCUSSION OF FUTURE AGENDA ITEMS

There was open review concerning the O & M Maintenance Budget Model which will eventually become policy. Chair Carnahan indicated this will be distributed to Board members and will be reviewed by an Action Committee comprising of members of the Board, Higher Ed and DFCM. This will be discussed at the Business Meeting next month following the Capital Development Hearing.

Alan Bachman distributed draft copies of Rule 23-1, Procurement Rules. This rule will be discussed in the November meeting and encouraged the Board members to become familiar with this document.

❑ ADJOURNMENT

MOTION: David Tanner moved to adjourn the meeting. The motion was seconded by Fred Hunsaker and passed unanimously.

The meeting adjourned at 10:53 am.