

**Minutes**  
**Capital Planning and Budget Committee**  
**Thursday, March 5, 2009**

Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 9:03 a.m. in Room 1920 of Van Hise Hall on the UW-Madison campus. Committee members present were Regents Bartell, Drew, Opgenorth, Vasquez, and Walsh.

**I.3.a. Approval of the Minutes of the February 5, 2009 Meeting of the Capital Planning and Budget Committee**

Upon the motion of Regent Walsh and the second of Regent Opgenorth, the minutes of the February 5, 2009 meeting of the Capital Planning and Budget Committee were approved as presented.

**I.3.b. UW-Madison: Authority to Adjust the Budget of the Chadbourne and Barnard Halls Renovation Project**

This item requested authority to adjust the budget of the Chadbourne and Barnard Residence Halls Renovation project by \$1,351,300 Program Revenue Cash – Housing for a revised total project cost of \$13,724,300 (\$10,373,000 Program Revenue Supported Borrowing and \$3,351,300 Program Revenue-Cash).

This project involves the renovation of two residence halls, Chadbourne Hall (83,649 ASF/138,808 GSF) and Barnard Hall (30,517 ASF/58,451 GSF).

During the design phase, a number of bid alternates were developed in order to keep the project estimate within budget. When bids for the base project and four alternates were opened in February the lowest numbers for the base bid and all alternates exceeded the estimated budget by just over \$1,350,000. Adding these funds now will allow the completion of the original project scope for the renovations of Chadbourne and Barnard halls. The Division of University Housing has the funds in hand to complete the scope of work as bid.

Associate Vice President David Miller said this project has previously been before the board for enumeration and design report approval. The project was recently bid and now there is need to increase the budget to accept the bids. Regent Bartell asked what was being added to this project. Teresa Adams of UW-Madison and Maura Donnelly of UW System were present to answer questions regarding this project.

Donnelly said the original project included upgrading the plumbing system. The plumbing component bid as an alternate to the core project due to budget concerns. However, since the bids came in low the plumbing could be completed as part of the projects and remain well below the enumerated amount.

Upon the motion of Regent Walsh and the second of Regent Vasquez, the Committee unanimously approved Resolution I.3.b.

Resolution I.3.b.

That, upon the recommendation of the of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to adjust the budget of the Chadbourne and Barnard Residence Halls Renovation project by \$1,351,300 Program Revenue Cash – Housing for a revised total project cost of \$13,724,300 (\$10,373,000 Program Revenue Supported Borrowing and \$3,351,300 Program Revenue-Cash).

**I.3.c. UW-Parkside: Authority to: (1) Convey Two Parcels of Land Located at the Intersection of County Highway G and Inner Loop Road to Kenosha County for Road Construction Purposes and (2) Adjust the Campus Boundary Accordingly**

This item requested authority to: (a) convey two parcels of land totaling 0.292 acres along County Highway G (Wood Road) at the intersection of Inner Loop Road at the UW-Parkside campus to Kenosha County for the construction of a roundabout intersection to serve the campus, and (b) adjust the campus boundary accordingly.

The land to be conveyed consists of two triangular areas on the west and east sides of the existing County right-of-way at the intersection of County Highway G and Inner Loop Road on the UW-Parkside campus, tapering to points at both ends from the widest area of approximately 40 feet in the middle of each parcel. The university is constructing a main entrance boulevard from County Highway G at this location. Reconstruction of this intersection in a roundabout configuration is necessary in connection with the ongoing redevelopment of the campus roadway network. Kenosha County will provide increased maintenance associated with the increased pavement, curb and gutter. The university will pay all costs for construction of the new intersection.

Regent Vasquez asked if this was going to be still considered a county road with the upkeep performed by the county. Miller stated that this will continue to be a county road and the county will be responsible for snow removal and other upkeep. Regent Bartell asked why the campus is paying for the round-a-bout if it is in fact a county road. Miller answered that it is the university's desire to construct it to ease traffic flow and create an entry to the campus and not a project planned by the county.

In response to a question about the university's responsibility, Kate Sullivan, UW System Director of Facilities Planning said the university is only maintaining the landscape in the middle of the round-a-bout.

Upon the motion of Regent Drew and the second of Regent Vasquez, the Committee unanimously approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the of the UW-Parkside Chancellor and the President of the University of Wisconsin System, authority be granted authority be granted to: (a) convey two parcels of land totaling 0.292 acres along County

Highway G (Wood Road) at the intersection of Inner Loop Road at the UW-Parkside campus to Kenosha County for the construction of a roundabout intersection to serve the campus, and (b) adjust the campus boundary accordingly.

**I.3.d. UW System: Recommended Statutory Revisions for Streamlining the Capital Budget Process**

This item requested Board of Regents support of various statutory revisions to streamline the Capital Budget process.

As an agency of the State of Wisconsin, the University of Wisconsin System capital building process is governed by state statutes which designate that all university projects are managed by the state Department of Administration. Most of the statutes and administrative rules governing the building program process were created in the 1970's, with only minimal changes occurring during the past 30 years. Today, these processes are overly burdensome and time consuming. This process of authorizing and managing projects has not kept pace with modern construction delivery methods and has not been refined to take advantage of efficiency measures common in the today's construction industry and these processes have become overly burdensome and time consuming.

Major capital projects are enumerated by the Legislature in the biennial budget every two years. However, biennial budgeting does not accommodate managing project schedules and costs. The capital planning and enumeration process needs to be reformed to include incentives that will deliver quality projects and contain costs.

Three specific initiatives which would improve the construction process and meet state agencies' needs are to: (a) increase the statutory thresholds that trigger various levels of approval. This would allow for the retention of the statutory thresholds, but update the dollar amounts to allow smaller projects to move into construction more quickly saving time and money; (b) encourage agencies to control project costs by managing the total amount of capital funds expended, rather than rough budget estimates for each project; and (c) modernize project delivery methods by improving the method of managing construction projects (*project delivery*) to conform to modern business models and best practices geared toward controlling cost and saving time.

Miller summarized the current law and explained the three initiatives in greater detail and the justification for each. He added that because these were statutory changes they would have to be passed by the full Legislature.

Referring to the Small Projects program (under \$150,000), Regent Vasquez asked whether UW System staff review those projects. Miller responded that they are submitted directly to the state's Division of State Facilities. Vasquez asked whether System staff are kept informed of what is happening at each institution. Miller answered that the Environmental Impact Assessment still has to be done and that is filed through Capital Planning & Budget. Miller also stated that the campus staff and Capital Planning & Budget staff work closely together and the projects are often discussed informally.

Regent Walsh asked if there was opposition to the statutory changes. Miller said that some legislators may view this as diminishing their oversight and delegating more to the State Building Commission. However, the potential efficiency and savings is significant and has been demonstrated on some existing projects. Miller added that there is opposition from some subcontractors that are currently able to bid and contract directly with the state who, under the proposed delivery methods would most often be bidding to a general contractor. Regent Drew asked if the State Building Commission would have the final say in the method. Miller said it would be the Department of Administration that would make the final decision in delivery methods.

Upon the motion of Regent Walsh and the second of Regent Opgenorth, the Committee unanimously approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents recommends various statutory revisions to streamline the Capital Budget process.

**I.3.e. Report of the Associate Vice President**

1. Building Commission Actions - Associate Vice President David Miller reported that the Building Commission approved about \$155M for projects at the February 2009 SBC meeting. The funding breakdown for those projects is \$43.5M General Fund Supported Borrowing, \$103M Program Revenue, and \$8.5M Gift Funds.

Miller also reported that at the February Building Commission meeting Governor Doyle presented the 2008 Design and Construction Awards which recognize excellence in state building projects. The Governor's award for *Excellence in Architectural Design* was given to Zimmerman Architectural Studios Inc. for the UW-Madison Grainger Hall Addition and the award for *Excellence In Engineering Design* was given to MSA Professional Services Inc. for the UW-Madison Campus Bike Path.

**I.3.f. Additional items which may be presented to the Committee with its approval**

No additional items were presented to the Committee.

Upon the motion of Regent Walsh and the second of Regent Opgenorth the Capital Planning and Budget Committee adjourned at 9:52 a.m.