

Minutes
Capital Planning and Budget Committee
Thursday, September 8, 2011

Capital Planning and Budget Committee Chair Regent Bartell convened the meeting of the Capital Planning and Budget Committee at 8:30 a.m. in Room 1920 of Van Hise Hall on the UW-Madison campus. Committee members present were Regents Bartell, Manydeeds, Pointer, and Walsh. Regent Drew was absent.

I.3.a. Approval of the Minutes of the July 14, 2011 Meeting of the Capital Planning and Budget Committee

Upon the motion of Regent Manydeeds and the second of Regent Walsh, the minutes of the July 14, 2011, meeting of the Capital Planning and Budget Committee were approved as presented.

I.3.b. UW-Madison: Authority to Seek a Waiver of Wis. Stats. § 16.855 under Provisions of Wis. Stats. § 13.48 (19) to Allow a Design-Build Entity to Design and Construct the General Library System Storage Facility Project

This item requested authority to seek a waiver of Wis. Stat. § 16.855 under provisions of Wis. Stat. § 13.48 (19) to allow a design-build entity, selected through a Request for Proposals (RFP) process, to design and construct a General Library System Storage Facility project at a total project cost of \$1,500,000 Gift Funds.

The project will construct a 10,000 GSF addition to the existing Materials Distribution Services (MDS) warehouse on Thousand Oaks Trail in Verona to provide storage space for campus libraries. The addition will be a 120 feet by 85 feet by 20 feet high, temperature-controlled space for storage of up to one million volumes of library materials. There will be no offices, restrooms, processing space, or entry/exits other than those required for emergencies. The existing MDS loading dock will be utilized to move materials for this storage space and no new parking spaces will be created. This addition will be tied into the existing utility system, including the fire suppression system.

The purchase and installation of shelving will be phased in over time via the General Library System (GLS) operating budget, beginning with a capacity for approximately 500,000 volumes. An RFP process will be used to competitively bid and purchase the shelving.

The waiver will allow for the construction of a pre-engineered addition to the existing warehouse building, which was constructed so that it could be expanded as efficiently as possible as future needs warrant. The design-build process requested is consistent with industry practice for buildings of this type, which do not require the level of programming or design typically involved for the construction of state facilities.

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

Resolution I.3.b.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to seek a waiver of Wis. Stats. § 16.855 under provisions of Wis. Stats. § 13.48 (19) to allow a design-build entity, selected through a Request for Proposals (RFP) process, to design and construct a General Library System Storage Facility project at a total project cost of \$1,500,000 Gift Funds.

I.3.c. UW-Madison: Authority to Construct a Multi-Building Energy Conservation – Phase III Project

This item requested authority to construct the Multi-Building Energy Conservation - Phase III project at a total project cost of \$16,589,500 Program Revenue Supported Borrowing.

This project implements energy conservation opportunities in approximately 846,000 GSF among three academic buildings (Biotron, Mechanical Engineering, and Microbial Sciences) and lighting retrofits in 24 buildings and approximately 3,563,000 GSF across campus, as recommended by a recently completed comprehensive energy study.

Building work includes performance of a wide range of energy conservation measures throughout the campus. Electrical work includes selective lighting and ballast replacements and variable speed drive installations. Mechanical work includes selective cooling coil conversions, chiller replacement, air handling unit replacement, HVAC system controls replacement, reduction of the outside air intake and supply airflow, rebalancing the HVAC system, and retrofitting fume hoods with occupancy sensors.

Governor Doyle issued Executive Order 145 on April 11, 2006, relating to Conserve Wisconsin and the creation of high-performance green building standards and energy conservation for state facilities and operations. The order requires a ten percent reduction in energy conservation from FY05 levels by FY08 and a twenty percent reduction by FY10.

This project will assist UW-Madison in complying with the energy reduction goals stipulated in Executive Order 145. The implementation of the energy conservation measures identified in this request will result in an anticipated annual energy cost savings of approximately \$1,635,639 with a simple payback of 10.1 years. This is well below the state energy fund simple payback requirement of 16 years or a 20-year payback with repayment at a 5.25% bond rate and a 3% inflation rate.

Upon the motion of Regent Manydeeds and the second of Regent Pointer, the Committee approved Resolution I.3.c.

Resolution I.3.c.

That, upon the recommendation of the UW-Madison Interim Chancellor and the President of the University of Wisconsin System, authority be granted to construct the Multi-Building Energy Conservation - Phase III project at a total project cost of \$16,589,500 Program Revenue Supported Borrowing.

I.3.d. UW-Stevens Point: Approval of the Design Report and Authority to Construct the North DeBot Residence Halls Renovation - Phase I Project

This item requested Approval of the Design Report and authority to construct the North DeBot Residence Halls Renovation - Phase I project for a total cost of \$11,720,000 Program Revenue Supported Borrowing.

Both Burroughs Hall and Knutzen Hall were constructed in 1967. In 1994, there was a major renovation of both halls that concentrated primarily on common areas and the updating of the resident rooms was limited to only the installation of carpet tile and repainting. This project will renovate Burroughs Residence Hall during the summer of 2012 and Knutzen Residence Hall during the summer of 2013 in the North DeBot residence hall quadrant of campus. The bidding for both projects will be combined for the two summers. The halls represent the fifth and sixth halls to be renovated and each hall comprises a total of 54,337 GSF and 270 total beds. Each hall will receive significant renovations with room lighting upgrades, updates to closet side panels, the replacement of existing resident room windows with energy efficient frames and glazing, and the replacement of steam radiant heat with a four-pipe system that will incorporate hot water and chilled water for future air conditioning with individual room controls. The front desk lobby area will be reconfigured and updates will be made to the lounge area.

Americans with Disabilities Act (ADA) modifications will include the renovation of private baths on floors two, three, and four to accommodate those with restricted mobility; the modification of lower-level rest rooms to make them fully accessible; the installation of a five-stop elevator; the construction of an exterior ramp to the lobby level; and the installation of lever-style door hardware. Eleven resident rooms on various floors will be made fully ADA accessible as will the hall director's apartment.

The renovations are designed to achieve sustainable design and operation as a LEED Existing Building (LEED-EB) as outlined by the U. S. Green Building Council (USGBC). LEED landscaping design credits will include water efficient plantings and a rain garden feature. It is anticipated that these will become the second and third buildings on campus to achieve a LEED-EB designation.

Upon the motion of Regent Manydeeds and the second of Regent Pointer, the Committee approved Resolution I.3.d.

Resolution I.3.d.

That, upon the recommendation of the of the UW-Stevens Point Chancellor and the President of the University of Wisconsin System, the Design Report of the North DeBot Residence Halls Renovation - Phase I project be approved and authority be granted to construct the project for a total cost of \$11,720,000 Program Revenue Supported Borrowing.

I.3.e. UW-Stout: Approval of the Design Report and Authority to Construct the Fleming Hall Renovation Project

This item requested approval of the Design Report and authority to construct the Fleming Hall Renovation project at an estimated total project cost of \$6,599,000 Program Revenue Supported Borrowing.

The existing 26,460 ASF/40,298 GSF building, which was constructed in 1961, will be completely renovated to provide 198 beds in a traditional dormitory style of double occupancy rooms and four triple occupancy rooms. The renovation work will completely replace all plumbing, mechanical, electrical, and telecommunications systems and will add an automatic sprinkler system. Asbestos will be abated. Remodeling work will provide full accessibility to comply with the Americans with Disabilities Act (ADA). All wall, floor, and ceiling finishes will be replaced or upgraded and all interior doors and hardware will be replaced. Exterior work will include the replacement of all exterior windows and doors, masonry tuckpointing, and sealant replacement. Additions of 1,160 ASF/2,394 GSF will be constructed to provide for an elevator and expanded remodeled restrooms that will meet current standards.

In response to questions, the Assistant Vice Chancellor of Student Life Services, Phil Lyons, confirmed that the estimated costs should reflect the current bidding environment based on actual bids received for Hovlid Hall.

Fee Impact: This project will be funded by an increase in room rates. In addition to normal inflation, this project will add \$150 for housing rates. A one-time increase in room rates including inflation is necessary to support this project. The FY 11 typical double room rate of \$3,300 will increase to \$3,450 in FY 12.

Upon the motion of Regent Walsh and the second of Regent Manydeeds the Committee approved Resolution I.3.e.

Resolution I.3.e.

That, upon the recommendation of the UW-Stout Chancellor and the President of the University of Wisconsin System, the Design Report of the Fleming Hall Renovation project be approved and authority be granted to construct the project at an estimated total project cost of \$6,599,000 Program Revenue Supported Borrowing.

I.3.f. UW-Whitewater: Approval of the Design Report and Authority to Adjust the Budget and Construct the Young Auditorium Dance Studio Addition Project

This item requested approval of the Design Report of the Young Auditorium Dance Studio Addition project and authority to (a) increase the scope and budget by \$183,000 Gift/Grant Funds and (b) construct the project at a total cost of \$1,123,000 Gift/Grant Funds.

This project will construct an approximately 2,810 ASF/4,500 GSF addition to the southeast side of the Young Auditorium to house a dance studio, a lobby, two changing rooms with cubicles and lockers, a storage closet, and a unisex restroom.

The dance studio addition will include a studio with a sprung wood dance floor, ballet mirrors, ballet barres, a sound system, and a projection screen.

This project will provide adequate classroom and rehearsal space for the Theater Dance Department that meets the standards of the National Association of the Schools of Dance (NASD), as well as provide changing rooms, lockers, and a restroom.

During the design phase it was determined that the existing HVAC system would be at full capacity with the addition of this space. The increase in the project budget will allow the addition of one air handling unit and the ability to construct mezzanine space to house the unit.

It was noted by AVP Miller that this is a good example of the type of project that would benefit from the granting of flexibility to undertake all fully gift-funded projects as sought, without needing to wait for enumeration. This project had funds available much earlier, but it lost about a year and a half of progress due to the timeline for enumeration.

Upon the motion of Regent Walsh and the second of Regent Manydeeds the Committee approved Resolution I.3.f.

Resolution I.3.f.

That, upon the recommendation of the UW-Whitewater Chancellor and the President of the University of Wisconsin System, the Design Report of the Young Auditorium Dance Studio Addition project be approved and authority be granted to (a) increase the scope and budget by \$183,000 Gift/Grant Funds and (b) construct the project at a total cost of \$1,123,000 Gift/Grant Funds.

Regent Walsh inquired about the sprung wood floor in the studio. Senior Architect Maura Donnelly responded that the wood floor is separated from the concrete subfloor by sleepers that create flex in the floor to absorb the impact of jumping and landing.

I.3.g. UW System: Authority to Construct All Agency Maintenance and Repair Projects

This item requested authority to construct various maintenance and repair projects at an estimated total cost of \$12,087,600 (\$5,805,400 General Fund Supported Borrowing and \$6,282,200 Program Revenue Supported Borrowing).

Facilities Maintenance and Repair Requests

RVF - Johnson Hall HVAC System and Restroom Renovation (\$2,756,200): This project replaces the heating and plumbing infrastructure in Johnson Hall, including replacing the steam heating system with a new hot water system and completely renovating eight communal restrooms.

Utilities Repair and Renovation Requests

EAU - Lower Campus Steam Loop Extension (\$2,604,400): This project completes the lower campus central steam and condensate utility loop by constructing ~900 LF of new steam and

condensate lines enclosed in concrete box conduit; constructing three new utility pits; and connecting Hibbard Hall and Schofield Hall. This project also provides a connection point for the future Education Building.

MIL - Northwest Quadrant Central Utility Extension (\$4,994,000): This project extends central campus utilities (underground steam and condensate box conduit, chilled water piping, primary electric and signal communication ductbank, and fiber optic cabling) to connection points within the Northwest Quadrant (former Columbia Saint Mary's Hospital complex) buildings. All central utilities except the primary electric service will be energized as part of this project. All work, either completed as part of this project or planned for a future project, will allow the Energy Center to be razed for potential site development.

STP - Parking Lots P and V Reconstruction (\$1,733,000): This project reconstructs and reconfigures two parking lots providing a total of 424 parking spaces. Lot P, a 284-stall parking lot located on the northwest corner of campus, will be reconfigured to incorporate 4,100 SF of new stormwater bio-filtration and collection devices interior to the pavement areas by expanding the paving footprint approximately 40 feet north and 5,700 SF total. Lot V, a 140-stall parking lot located on the northwest corner of campus and adjacent to the south of Lot P, will be reconstructed. Lot V is divided into two portions north and south of 601 Division Street, a campus building. The north portion contains 91 stalls and the south portion contains 49 stalls. Due to size restrictions, no storm water management facilities will be included for Lot V. The parking lot design solution will provide a minimum of 2% of the interior paved surface area dedicated to plantings and will incorporate dark sky compliant lighting fixtures.

Upon the motion of Regent Manydeeds and the second of Regent Pointer the Committee approved Resolution I.3.g.

Resolution I.3.g.

That, upon the recommendation of the President of the University of Wisconsin System, authority be granted to construct various maintenance and repair projects at an estimated total cost of \$12,087,600 (\$5,805,400 General Fund Supported Borrowing and \$6,282,200 Program Revenue Supported Borrowing).

I.3.h. UW System: Approval of Procedures for Implementing Capital Projects under Wis. Stats. § 36.11(53)

Wisconsin 2001 Act 32 required that procedures for bidding projects (involving a cost of less than \$500,000 to be constructed for the University of Wisconsin System that are funded entirely from the proceeds of gifts and grants made to the system) be developed by the Board of Regents and approved by the State Building Commission (SBC) and Joint Committee on Finance. Regent Walsh inquired why changes had been made to the document prior to committee review. AVP Miller responded that in order to facilitate development of the procedures, some early input was solicited from colleagues at the Division of State Facilities and in the construction sector. Based on that input, modifications were made to improve the current draft for review by this committee.

AVP Miller then walked through the proposed procedures and clarified that only the subset of this document which directly relates to bidding procedures will be forwarded to SBC. The balance of the document provides for consultant selection and related procedures developed to facilitate implementation of the statutory change.

Since the projects permitted under this statutory change are limited to \$500,000, these procedures are reasonably based upon the Department of Administration's Administrative Code procedures for projects under \$5,000,000 specified in s. Adm. 20.05. Particulars highlighted involved the rationale for not stipulating a preference for Wisconsin contractors and the intent to expand the minority business enterprise concept to also include women-owned business enterprises.

The process for seeking approval of the procedures was identified as follows: Prior to the implementation of such procedures or changes thereto, the board is required to submit a copy of the proposed procedures or changes thereto in final form to the department of administration, for transmittal to the building commission. After building commission approval the proposed procedures will be transmitted to the co-chairpersons of the joint committee on finance. If the co-chairpersons of the committee do not notify the board that the committee has scheduled a meeting for the purpose of reviewing the proposed procedures or changes thereto within 14 working days after the date of the department's submittal to the co-chairpersons, the board may implement the proposed procedures or changes thereto if otherwise authorized to do so.

If the building commission does not approve the procedures or changes thereto, the board shall not implement the procedures or changes.

Upon the motion of Regent Walsh and the second of Regent Pointer the Committee approved Resolution I.3.h.

Resolution I.3.h.

That, upon the recommendation of the President of the University of Wisconsin System, the Board of Regents adopts the *Procedures for the Design and Construction of Gift and Grant Funded Projects Under \$500,000.*

I.3.i. Report of the Associate Vice President

Associate Vice President David Miller reported that the Building Commission approved about \$82.5M for projects at its August meeting. The funding for those projects is approximately \$46M General Fund Supported Borrowing and \$36.5M Program Revenue.

In addition, the SBC denied the request for the MSN Memorial Union project to be delivered using a Construction-Manager-at-Risk (CMAR) contracting method. Since this is likely the most complex project undertaken by the state given the need to keep the building fully operational and safe throughout the construction period, this was a surprising outcome. It was recommended that DSF reevaluate how CMAR selection occurs, and whether contracting a CM-Agent during the construction phase in combination with Single Prime delivery method would be equally successful. This is not considered satisfactory for this project since the contractual authority for

managing the complexity of the project needs to rest with the CM in order to be successful. Campus and System staff will continue to bring this issue to a positive conclusion.

Upon the motion of Regent Walsh and the second of Regent Manydeeds, the Capital Planning and Budget Committee meeting was adjourned.