

RECORD OF THE MEETING

of the

BOARD OF REGENTS OF THE UNIVERSITY OF WISCONSIN SYSTEM
EXECUTIVE COMMITTEE

Tuesday, May 22, 2018
11:00 a.m.

Held by telephone conference
1820 Van Hise Hall
1220 Linden Drive
Madison, Wisconsin

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PRESENT: Regents John Behling (Chair), Michael Grebe, Tracey Klein, Regina Millner, Drew Petersen, Bryan Steil, and Gerald Whitburn

UNABLE TO ATTEND: Regent Eve Hall

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After the roll was recorded, Regent President Behling asked Associate Vice President Alex Roe to present the first of three projects.

Associate Vice President Roe thanked Regents for taking the time to participate in the teleconference, explaining that due to various project schedules and a bid opening, these projects could not be considered at the April Regent meeting and needed to be considered prior to the State Building Commission meeting on June 6.

The first project, which was enumerated as part of the 2015-17 Capital Budget, is a request to increase the budget for the UW-La Crosse Wittich Hall Renovation project by \$2,128,000, for a total project cost of \$26,746,000.

Associate Vice President Roe explained that the project converts the 1916 former physical education building, listed on the National Register of Historic Places, into a home for the College of Business Administration. The building will be reconfigured through the removal of the existing pools and the insertion of a new second floor into the former gymnasium spaces to create offices, classrooms and student study spaces. All the interior mechanical, electrical, plumbing and other building systems will be replaced.

Project bids were opened on May 10th. Additional funding is needed to accept the lowest, qualified bid. She attributed the increase cost to a nearly 50% increase in the cost of steel since

last summer. She also noted that the project will require masonry work, and an existing shortage of masons contributed to an increase in project labor costs for the project.

Associate Vice President Roe explained that the space was needed due to increases in student enrollment and newly hired faculty during the last several years. She explained that due to other commitments by the State on behalf of UW-La Crosse, the university decided to self-fund the project. She then called on UW-La Crosse Vice Chancellor Bob Hetzel who explained that the university would use \$2.1 million in reserves to fund the project shortfall.

UW-La Crosse Chancellor Joe Gow and Regent Millner spoke to the importance of building renovation to the campus. Regent Steil confirmed the use of reserves to fund the project.

President Behling asked for a motion to adopt the resolution. Resolution 11034 was moved by Regent Whitburn, seconded by Regent Millner, and adopted unanimously on a voice vote.

Authority to Increase the Budget of the Wittich Hall Renovation Project, UW-La Crosse

Resolution 11034 That, upon the recommendation of the UW-La Crosse Chancellor and the President of the University of Wisconsin System, authority be granted to increase the project budget for the Wittich Hall Renovation project by \$2,128,000 Cash for an estimated total cost of \$26,746,000 Cash.

Regent President Behling asked Associate Vice President Roe to present the second project related to UW-Madison's Chemistry Building. Associate Vice President Roe explained that UW-Madison's request is to increase the budget for the UW-Madison Chemistry Building Addition and Renovation Project by \$10 million, for a total project cost of \$133,100,000.

The project, also enumerated as part of the 15-17 budget, will construct a new ten-level tower, renovate teaching and research labs in the existing 1960's buildings. Associate Vice President Roe noted that the original enumeration did not allow for a complete fit out of the new tower nor a full renovation of one of the buildings. Additional funds have been raised to provide for fit-out of floors in the new tower and expanded renovation of existing labs.

Associate Vice President Roe explained that as the construction documents neared completion, a decision was made to replace the existing fire alarm system to be compatible with the new tower, as well as add sprinklers. The additional funding will also provide for the removal of hazardous materials that will result from the sprinkler installation. Due to concerns about the bidding climate in Madison and the amount of renovation work, UW-Madison's leadership team decided to increase the project contingency to nearly 10%. She said she anticipates a release of the project documents as soon as the Building Commission approval is in place, and bid opening in late July 2018.

Associate Vice President Roe said that additional funding will be provided through residual General Fund Supported Borrowing from UW System projects and funds provided by

UW-Madison, and then called on UW-Madison Vice Chancellor Laurent Heller to provide additional information.

Vice Chancellor Heller said this project is UW-Madison's first and highest priority, and that the campus planned to use federal indirect cost recovery reserves to fund the additional project costs.

Regent Whitburn raised concerns with the initial budget for the project and whether the initial project plans anticipated complete build-out of the project. Associate Vice President Roe explained when the process started, building out the complete project was anticipated. As costs increased, the build-out of instructional space was prioritized in order to keep the project on track.

President Behling asked for a motion to adopt the resolution. Resolution 11035 was moved by Regent Petersen, seconded by Regent Whitburn, and adopted unanimously on a voice vote.

Authority to Increase the Budget of the Chemistry Building Addition and Renovation Project, UW-Madison

Resolution 11035 That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to increase the budget of the Chemistry Addition and Renovation project by \$10,000,000 (\$5,000,000 Existing General Fund Supported Borrowing and \$5,000,000 Program Revenue-Cash) for a revised estimated total project cost of \$133,100,000 (\$86,200,000 General Fund Supported Borrowing, \$5,000,000 Existing General Fund Supported Borrowing, \$16,072,000 Program Revenue-Cash, and \$25,828,000 Gift Funds).

Regent President Behling asked Associate Vice President Roe to present the third project, a UW-Madison utility project. Associate Vice President Roe explained that UW-Madison's request is to increase the budget for the UW-Madison South Campus Utility Improvement Project by \$5,585,000, for a total project cost of \$22,760,000. She said that as part of the 2005 Campus Master plan, it was recommended that the steam and condensate utilities along with primary electrical and signal communication utilities along Dayton Street be replaced, allowing for replacement of older utility lines with larger pipes to accommodate future capacity initiatives. The project was enumerated as part of the 2015-17 Capital Budget utilizing residual borrowing, also referred to as unused funding, from other UW-Madison utility projects.

Madison Gas & Electric has asked to connect to their new systems and given the proximity of an important natural gas line, required that the university provide additional on-site observation. As with many utility projects in metropolitan areas, the university is required to coordinate with local and municipal utilities within the roadway right of way. Associate Vice President Roe noted that the original project budget did not adequately estimate the cost to relocate the Metropolitan Unified Fiber Network cable which is installed along Dayton Street.

Due to the unknown impact of rising steel and aluminum prices, UW-Madison decided to increase the project contingency to provide for any unexpected costs in the bidding stage or unforeseen conditions as the tunneling and street work is undertaken. Funds for the increase have been made available through the closure of recently completed General Fund and Program Revenue Supported Projects at UW-Madison.

Regent Millner noted that she would recuse herself due to the project's involvement of Madison Gas and Electric.

Noting the 30% increase in the project budget, Regent Whitburn asked if staff should have anticipated the additional costs. Associate Vice President Roe noted that the Metropolitan Unified Fiber Network costs were unexpected, and that future projects would include increased levels of coordination.

President Behling asked for a motion to adopt the resolution. Resolution 11036 was moved by Regent Whitburn, seconded by Regent Klein, and adopted on a voice vote. Regent Millner abstained.

Authority to Increase the Budget of the South Campus Utility Improvements Project, UW-Madison

Resolution 11036 That, upon the recommendation of the UW-Madison Chancellor and the President of the University of Wisconsin System, authority be granted to (a) increase the project budget of the South Campus Utility Improvements project by \$5,585,000 (\$3,676,500 Existing General Fund Supported Borrowing and \$1,908,500 Existing Program Revenue Supported Borrowing) for an estimated total cost of \$22,760,000 (\$14,982,500 General Fund Supported Borrowing, \$6,090,500 Program Revenue Supported Borrowing, and \$1,687,000 Program Revenue-Cash) and (b) construct the project.

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The meeting was adjourned at 11:26 a.m.

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Submitted by:

/s/ Jess Lathrop
Jess Lathrop, Executive Director and Corporate Secretary
Office of the Board of Regents
University of Wisconsin System