

Utah State Building Board



MEETING

February 4, 2004

MINUTES

Utah State Building Board Members in attendance:

Larry Jardine, Chair
Kerry Casaday, Vice-Chair
Steven Bankhead
Manuel Torres
Katherina Holzhauser

DFCM and Guests in attendance:

F. Keith Stepan	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Kent Beers	Division of Facilities Construction & Management
Blake Court	Division of Facilities Construction & Management
S. Camille Anthony	Department of Administrative Services
Randa Bezzant	Governor's Office of Planning and Budget
Mark Spencer	Utah System of Higher Education
Michael Wollenzien	Office of Rehabilitation
Ron Reaveley	Reaveley Engineers & Associates
Bob Askerlund	Salt Lake Community College
Greg Stauffer	Southern Utah University
Raymond Duda	Utah National Guard
Matt Rich	Jacobsen Construction
Deanne Mousley	SFMO
Robyn Smith	HFS Architects
E. Bart Hopkin	Department of Human Services
Jeremy Blanck	Okland Construction
Chris Coutts	MHTN
Rosemarie Carter	Department of Workforce Services
Jean Steidl	Department of Workforce Services
Darrell Hart	Utah State University
Kevin Womack	Utah State University
Brent Windley	Utah State University

On Wednesday, February 4, 2004, the Utah State Building Board held a regularly scheduled meeting at the Department of Alcoholic Beverage Control Board Room, Salt Lake City, Utah. Chairman Larry Jardine called the meeting to order at 9:00am and thanked the Department of Alcoholic Beverage Control for their hospitality.

APPROVAL OF MINUTES OF JANUARY 7, 2004

Chair Jardine sought comments on the meeting minutes of January 7, 2004.

MOTION: Manuel Torres moved to approve the Utah State Building Board meeting minutes for January 7, 2004. The motion was seconded by Steve Bankhead and passed unanimously.

LEGISLATIVE UPDATE

Kenneth Nye stated the packet included information regarding the guiding principles adopted by the Capital Facilities Committee pertaining to how they would address their deliberations. The key guiding principle is the concept that they would not authorize new general obligations bonds at an amount higher than the principle amount currently being paid on, which is approximately \$64 million in facilities. The Committee is looking for alternative ways to treat the funding for the Capitol building separately. The dollar amount being proposed for the Capitol building this year is \$50 million. If the \$50 million is included in the \$64 million limit, it would minimize the opportunities for other projects. Financing the Capitol through separate sources would leave significantly more money for the rest of the projects.

Mr. Nye distributed an excerpt of a 2004 General Session presentation made by Kevin Walthers to the Capital Facilities Committee. Mr. Nye explained the state's dilemma in maintaining the AAA bond rating. The key factors identified in maintaining the bond rating included maintaining the existing facilities through capital improvement funding.

The next chart identified the level of funding over the last five years for capital development and capital improvement projects. DFCM prepared a similar five year report card identifying slightly different numbers due to definitions of state funds and funding shifting between fiscal years. Another chart showed the amount of funding by year for capital facilities.

Mr. Nye focused on the make up of the state's general obligation bonds. A line graph showed consistency regarding the state's debt in general obligation bonds for buildings and lease revenue bonds. The State experienced an enormous increase in its general obligation debt due to highway funding, which was basically non-existent until FY1998

when the I-15 project in Salt Lake County began and statewide commitment was created for other projects. The debt required for the transportation effort has caused the State's debt to increase.

The next chart further highlighted the change in distribution of G.O. debt pertaining to the portion of the State's overall general obligation debt that was used between facility and highway projects.

Kevin Walthers released his capital budget recommendations to the Legislature and the Legislative staff the night prior to the meeting. Mr. Nye provided highlights and stated the legislative staff recommended the 0.9% funding for capital improvements as anticipated. The 0.9% level generates almost \$44 million, which is the highest level of capital funding the State has ever provided. Mr. Walthers previously indicated there is also potential for the State to not afford funding for capital improvements at the 1.1% level in the foreseeable future. The Legislature may wish to decrease the standard to the .9% level, which would be resisted by the Board.

In regards to capital developments, the Legislative staff did not provide recommendations this year for specific projects, and instead recommended the Legislature consider ranking different classifications of projects. They suggested the highest ranking be for replacement or renewal of existing space, which is also consistent with the Board's desires, and would support the AAA bonding ranking. Their second priority would be for the replacement and expansion of existing programs, number three for opportunities, and number four for creation of new programs.

The Legislative staff also identified projects they thought the Legislature should consider in their categorization of projects. Their stance was unclear regarding the Ogden Regional Center or Logan Regional Center as they were not included in their categorization. Mr. Nye suggested the Board highlight the opportunity of the Ogden Regional Centers when speaking with the Committee later that afternoon and planned on providing a detailed presentation on those projects from DFCM next week.

Kevin Walthers did not recommend any specific projects, but the two UDOT projects were specifically not recommended for this funding year due to the budget struggles and the demands for highways. He was also concerned with the locations selected for those projects and the cost of providing utilities to those sites, in addition to normal building costs.

In regards to the Oxbow Jail purchase, Kevin Walthers supported the project if it could be acquired for \$7 million and the renovation and land purchase could be completed for \$4 million as proposed by the Governor. If the cost was higher than \$11 million total, Mr. Walthers suggested the Prison address their needs through other means.

Mr. Nye stated there were a few additional projects the Board had not yet heard that are being addressed in the Legislature. DFCM would deal with two Utah State University projects later in the meeting to address scope actions. Other projects not presented to the Board included the purchase of the balance of the Board of Regents building which the Legislature authorized the Regents to purchase a building a few years ago with a certain level of debt. The amount allocated was insufficient to buy the needed space, so they bought part of the building and leased the balance. Regents now desired to exercise the option to proceed with the purchase of the balance. It would be financed through an interesting financing mechanism through their student loan financing program.

The second project is a proposal by Salt Lake Community College for the Metro Campus. SLCC entered into a lease with the building a few years ago. The building is currently in bankruptcy and severe seismic considerations exist within the building. SLCC feels their best course is to buy the building and have negotiated the full purchase price of \$5.5 million, of which includes \$1.3 million in renovations to address structural problems. The building has a unique structural system and the floors are suspended from the top roof beams. The west end has a lot of lateral movement capabilities and in a seismic situation; it would probably shake itself down. An upgrade of the structural system would need to occur prior to occupancy, which is part of the purchase agreement. A complete investigation has not been done to determine that is all that is needed. Kenneth Nye stated this request is creating a fair amount of concern within the legislative process as to whether the State has enough control over Higher Education. This is being addressed as a separate item.

Kenneth Nye stated the National Guard has a 100% federally funded project at the Camp Williams Readiness Center needing consideration. Mr. Nye did not have enough information to make a recommendation. The project will be presented to the Legislative committee for consideration.

A presentation will also be made on the placement of the Peace Officers Standards and Training building with a new training facility proposed to be located at the SLCC Jordan Campus in conjunction with Salt Lake Community College, Public Safety and Corrections. Substantial discussions have occurred regarding Larry Miller donating and funding the entire project at the Miller campus instead.

The legislative staff recommended that status quo continue for the DFCM operating budget. The administrative budget was previously funded out of the state's general fund, but has since been replaced with project reserve funding, contingency reserve funding, and capital improvement funding. This funding mechanism is being proposed again for the current session. DFCM has sufficient funds to be able to cover one more year, but this will need to be addressed in future legislative discussions.

Camille Anthony stated Senator Dan Eastman inquired about maintenance for the Utah National Guard armories as their analyst has not recommended the increase for their facilities. Kenneth Nye understood that, as a general rule, most committees are instructed by the Executive Appropriation Committee to submit priority lists. Mr. Nye was unsure if the project was submitted. The Utah National Guard was not present when this was considered in their budget presentation. Camille Anthony felt the Building Board's primary responsibility was to take care of existing structures and she suggested drafting a letter to the committee to support the project as a high priority. Chair Jardine agreed it was in line with the Board's charge and sought a motion indicating DFCM would prepare the letter.

Keith Stepan stated in the past four years, DFCM has been assessing the ability of the Guard to maintain their own buildings and has found that to be lower than state standard and have therefore offered the service of maintaining their buildings outside of the Wasatch Front. In order to accomplish this, the Guard must pay DFCM as a service organization to maintain their buildings. Unfortunately, the Guard does not have this money available and past budgets have been too low to accommodate this new service to bring the buildings up to a satisfactory level. The appropriation passed was for the same funding as last year, but it needs to be increased. An appropriate motion of the Board would be to encourage the committee to consider the increase in maintenance funding for the National Guard and prioritize it to Executive Appropriations.

MOTION: Steven Bankhead moved to encourage the Committee to consider the increase in maintenance funding for the National Guard and prioritize it to Executive Appropriations. The motion was seconded by Katherina Holzhauser and passed unanimously.

Kenneth Nye continued with specific proposed legislation and identified a number of bills with the most substantial impact on DFCM. House Bill 30 was sponsored by Representative David Clark and addressed the process by which Internal Service Funds set their rates and then charge their rates to other agencies. DFCM's Facilities Management program would be affected by these requirements. The bill was amended to address the specific concerns of DFCM. Camille Anthony wished to address this through Executive Order instead of Legislation.

House Bill 205 would amend the statute currently requiring DFCM to obtain the Governor's approval before paying out a settlement over \$100,000. If the settlement is over \$500,000, statute requires Legislative Management Committee approval, and legislative approve is required over \$1 million. A number of other agencies have received exemptions for specific types of issues, including UDOT. This bill would provide a similar type of exemption where items resolved through DFCM's own resolution processes could be addressed directly without having to go to other bodies for approval. DFCM strongly supported this bill.

House Bill 215 did not directly impact DFCM and the Building Board in a real substantial way. It clarified that the State Building Codes Commission adopts building codes for energy conservation, fuel gas and one and two family residential construction. Currently, they have the responsibility of adopting the building codes and Mr. Nye felt this would clarify responsibility for the energy conservation code. An existing statute also requires the Building Board to adopt the code, but the Building Board ceased doing this upon the creation of the Building Codes Commission. The bill must be amended to repeal the current statute dealing with the Building Board adopting the codes. Steven Bankhead stated other states had a lot of energy code legislation which may be excessive and onerous. He was nervous to have a group initiate policies that effect the state, budget, and how much buildings cost.

House Bill 217 is being sponsored by Representative Wayne Harper. Mr. Nye had spoke with the Board previously regarding concerns that had been raised regarding DFCM's dispute resolution process and whether there is an adequate process in place to resolve construction project disputes. In the last legislative session, a resolution was passed to address this issue during the interim. While the Legislature itself did not address the issue, DFCM did make a commitment to Representative Harper and Representative Clark at the last session to have the discussion during the interim. They have developed a bill that was recently amended to address the concerns raised by the construction industry which essentially calls for the Building Board to adopt administrative rules to set up a claim and dispute resolution process and provides a list of considerations for the rule development. It currently requires that DFCM present the rule to the Legislature by August 31, 2004, prior to implementing the rule. Keith Stepan added it was important to provide an outlet for subcontractors who do not get a response from a general contractor to have a clean route of appeal. This also allows DFCM to make the rules and control who can appeal and under what conditions. This process will have continuous input from the community, the professionals and the Building Board. Kenneth Nye added the bill calls for DFCM to identify what types of subcontractor claims should be considered and grants the ability to come to the State. This bill also clarifies current problems in the statute regarding dispute resolution and the appeal process.

House Bill 226 deals with the Board's ability to approve state projects that may not involve state funds. This is an authority that the Legislature granted to the Board in 2000. The Board has only used this authority for approximately seven projects. A concern has been created regarding the qualification of one specific Wildlife project using restricted funds. Prior to bringing projects to the Board for approval, DFCM has ensured the Governor's Office of Planning and Budget and the Legislative Budget Office both agreed the project qualified. This bill will limit the Board's authority to Higher Education projects not involving state funds.

House Bill 228 controls the sale of property by state agencies including DFCM. The basic

concept of the bill is to require DFCM to make a public notice of the sale, obtain an appraisal, and achieve the appraised value. It gives direction for the disposition of the proceeds. Concern has been raised because it does not provide for any exceptions. It also provides for an agency to sell property at 95% less than the appraised value. DFCM would be required to present transactions to the Building Board for approval and the Board would assume the responsibility to oversee the transactions. Mr. Nye had suggested to the Legislative sponsor that the Transportation Commission would be an appropriate body to address UDOT issues rather than coming to the Building Board.

Chair Jardine identified DFCM will be getting approximately \$44 million for capital improvements and the facilities program conditions assessment program calls for \$199 million of immediate needs.

ADDITIONAL “OTHER FUNDS” PROJECT FOR USU

Blake Court, DFCM, requested the Board approve two separate projects at Utah State University including a revenue bond to bring the existing west side of the football stadium up to code and do some code and expansion at the Fieldhouse. The second project is a donated fund project and USU is recruiting donations to build a team facility to replace the facility currently in the north end zone of the stadium. Both projects are totally funded by Utah State University, including the O&M. The projects have been approved by USU’s Board of Trustees and the Board of Regents. DFCM and USU have been working together to develop concepts for those buildings to address code issues. The O&M would continue to be paid through athletic revenues.

MOTION: Kerry Casaday moved to approve the other funds projects for Utah State University. The motion was seconded by Steven Bankhead.

Kevin Womack, USU, stated the revenue bond for the Romney Stadium Renovation would be completed in three parts. The stadium would address life safety and code, the turf replacement and the Nielson Fieldhouse expansion. This would still all be done with revenue bonds.

The motion passed unanimously.

AMENDMENT TO PROCUREMENT RULES R23-1 AND R23-2

As discussed in previous meetings, Mr. Nye wished to address procurement practices. In December, DFCM identified several items requiring amendments to the current rule. The balance of the items not addressed could be addressed in the standard RFP documents regarding how DFCM practices.

Mr. Nye addressed R23-1, Procurement of Construction. DFCM made an agreement that the low bid and the multi-step process would be the standard procurement method for the design-bid-build method of managing construction projects. The DFCM director would retain the authority to authorize the use of the competitive sealed proposals method in unique circumstances with the design-bid-build method. The competitive sealed proposals method will be the standard procurement method for selecting a construction manager/general contractor or a design/build team.

Mr. Nye addressed the confidentiality of past performance and reference information. The current rule provided for a high level of confidentiality that only addressed references provided by the contractor. DFCM felt they needed to change this to clarify that it applies to both the evaluation of past performance as well as any additional reference information. This amendment clarifies that parties may receive this information, and in the future, this would only be accessible to those responsible in the evaluation of the firm. The issue is addressed in the construction rule as well as in the architect-engineer rule.

Another issue pertained to the scoring of proposals. This amendment clarifies the documented formal scoring of proposals in the selection process, which in past practice, may have had the greatest question regarding legal requirements. The procurement code calls for DFCM to identify the evaluation factors and their relative importance in the RFP document and then follow the relative importance.

The amendments also dealt with selecting the method of construction contracting and provide that the design-bid-build method is the standard construction contracting method for contracts under \$1,500,000. Construction manager/general contractor is the standard method for contracts over \$1,500,000. The director must document his approval of a contracting method that deviates from this guideline.

One amendment identified the descriptions of the different methods available to manage construction projects. This updated the descriptions of design-bid-build, construction manager/general contractor, and the design-build. This purpose is to simplify and clarify the descriptions of construction contracting methods typically used by DFCM. This section is descriptive in nature and does not constrain DFCM from modifying the methods described or using alternative methods that are not described.

There were other technical corrections and clarifications made throughout the rule. The most substantive of these amendments is the clarification that a modified competitive sealed proposals method may be used for small procurements that do not require a public notice.

Mr. Nye continued with the amendments to R23-2, Procurement of Architect-Engineer Services. The first item dealt with the confidentiality of past performance and reference

information. The proposed amendments clarify that the confidentiality extends to information related to past performance in addition to references and identified parties that may receive this information. The selection criteria were also clarified to require that the relative importance of the criteria to be used in selections must be stated in the procurement documents. Other amendments were proposed to provide technical corrections or clarifications throughout the rule. None of these amendments make a substantive change in the rule.

Keith Stepan stated the Legislature requested this review a year ago. DFCM felt very comfortable recommending the amendments.

MOTION: Manuel Torres moved to accept the amendments to R23-1 and R23-2. The motion was seconded by Vice Chair Kerry Casaday and passed unanimously.

Vice Chair Casaday asked if a firm received a negative evaluation on their performance evaluation, if they would receive the opportunity to refute. Kenneth Nye stated the evaluation would be done by the Program Director and forwarded to the user agency for their comments. The firm would then receive a copy and would have the opportunity to add their comments.

☐ AMENDMENT TO PROCUREMENT RULES R23-3, PLANNING AND PROGRAMMING FOR CAPITAL PROJECTS

Keith Stepan stated the architectural community asked DFCM to consider changing the rule prohibiting a programming firm from participating in the design in the project. They asked DFCM to provide more flexibility and, therefore, DFCM recommended the Board approve removing the prohibition issue and allowing more flexibility to allow the programming firm to be able to participate in the design team of a project.

Mr. Stepan felt this would be equitable and outlined the positives and negatives. By leaving the current rule, smaller firms could do state work in the programming phase and the programming expertise would have to compete with the larger firms. The advantages of changing are great and include shortening the lag in time. It also removes some of the design creativity, and can also save money in terms of paying for a program. He asked for the Board to grant DFCM the flexibility in choosing programmers to participate in the design team.

MOTION: Steven Bankhead moved to approve the proposed amendments to Rule R23-3. The motion was seconded by Katherina Holzhauser and passed unanimously.

DELEGATION TO USU FOR BRIGHAM CITY CAMPUS REMODEL

Kenneth Nye stated the Board approved the USU Brigham City master plan, including the designation of the Milton P. Miller building which can now be dedicated to the University. Previously, the Board also allocated \$300,000 of capital improvement money that included upgrades on the campus for remodeling space for use by USU. DFCM has since done further work defining the improvements at the facilities and have determined to withhold \$60,000 out of the \$300,000 to go toward the Driver License facility. The balance would be available for Utah State's use for remodeling and expansion in the Miller building. The delegation was for USU to manage the portion of the overall project in the Miller building including the capital improvement funding of \$240,000 plus their additional funding to deal with the scope of work for the classrooms.

Kevin Womack added this is below the delegation limit, but due to the building being located off campus and other agencies being involved, they needed to come before the Board.

MOTION: Katherina Holzhauser moved to approve the delegation of this project to Utah State University as requested. The motion was seconded by Vice Chair Kerry Casaday and passed unanimously.

REALLOCATION OF CAPITAL IMPROVEMENT FUNDS.....

Kent Beers stated DFCM recommended that the Building Board reallocate \$50,000 to the Department of Human Services and Workforce Services second story build-out of the Clearfield office building.

Both Human Services and Workforce Services have experienced significant growth over the last few years. The building was designed to accommodate the expanding agencies and the second story build-out had already been accomplished through shelled space. DFCM has been working with Human Services and Workforce Services to design the build-out over the last two years for the second story of the Clearfield office. The Workforce Services space has already been built out and the Human Services space needs to proceed. In order to coordinate transfer of staff from leased space, the build-out needs to be completed by September 1, 2004, as the leases will expire at the end of August. As a result, DFCM needs to hire an architect by the end of February to accomplish the design so that construction can commence in May. Funding for the project will come from \$40,000 from a cancelled project at the Calvin Rampton building to design organizational and energy efficient space, and \$10,000 from the old energy fund.

Katherina Holzhauser inquired about the amount of monthly lease costs that would be avoided by moving staff. Bart Hopkin, DHS, did not have exact figures, but stated by

coordinating those moves, DHS will be able to eliminate the monthly lease rate.

MOTION: Manuel Torres moved to reallocate the money to the Department of Human Services and Workforce Services. The motion was seconded by Vice Chair Kerry Casaday and passed unanimously.

☐ DFCM CAPITAL DEVELOPMENT GROUP

Keith Stepan expressed the desire for the Board to acquaint themselves with DFCM staff to help understand the workload. DFCM started a report card and a concept of introducing the different segments of the organization. He introduced Blake Court who oversees the Capital Development group. Blake expressed appreciation to the Board to present their group. He stated the group had the experience that was bar none the best the State has ever had.

He stated Charlotte Salevurakis served as the group's clerical support. Charlotte has been with DFCM for 35 years.

Kurt Baxter was also absent. He serves as the Inspection Contract Administrator. He helps write and administer all of the inspection contracts for the State. Kurt has been with DFCM for approximately two years.

Blake Court has been with DFCM for about six years and came from the Federal sector where he was in charge of hospital construction for the Veterans Administration. He has had opportunities to work on the USU steam plant, the four classroom buildings, and the Information Science building at UVSC.

Mr. Court introduced Enzo Calfa as the new Building Official. He has been with DFCM for approximately two weeks. He has 25 years experience in the building code industry. He was previously employed with Salt Lake City for 25 years. He has experience with inspections, plan review, supervisory, and zone reviews. He has extensive experience with building codes and will be reviewing most of the buildings for DFCM and will act as an intermediary between the contractors and inspectors.

Lynn Hinrichs has been with DFCM for six years and previously worked for the IRS for seven years as their staff architect. Since being with the State, he has completed over 70 projects totaling in excess of \$250 million. Currently Mr. Hinrichs is serving SLCC, UDOT, the Division of Juvenile Justice, Courts, Parks and Wildlife. His projects include the State Library for the Division of Services of the Blind, SLCC West Jordan Campus, UDOT Operations Center, the Logan Courthouse, the Vernal Courthouse, Fountain Green Fish Hatchery, Soldier Hollow Day Lodge, and Bear Lake Campgrounds. Current projects include the West Jordan Courthouse, the Washington County Youth Corrections, Solider

Hollow golf course and buildings, and the museum for the Vernal Fieldhouse.

Matthias Muller has 10 years of experience with the state and 35 years in the construction industry. He has a Masters degree in architecture and well as an MBA from the University of Utah. His past projects include the Olympic venues, the Utah National Guard Readiness Center, the ABC Warehouse addition, and the SUU Braithwaite remodel and seismic upgrade. Improvement projects include the Dixie State College Eccles Fine Arts Center, the SUU student housing project, the ABC Tooele Liquor Store, and the SUU Old Main remodel. The agencies MR. Mueller services include the Utah National Guard, the Alcoholic Beverage Control, Dixie State College, Southern Utah University and occasionally UDOT and Parks. He thanked members of the Building Board for participating on various Value Based selection committees.

Dave McKay has been with DFCM for 15 years and before that spent 20 years in private practice. Mr. McKay is currently serving the second half of his last term as Commissioner for the Uniform Building Code Commission. Mr. McKay's first assignments with DFCM included Workforce Services and the Utah National Guard and he was involved with the completion of the downtown headquarters of DWS as well as several satellite offices, the UNG Jake Garn West Jordan Armory and Army Aviation Support Facility and the Armory adjacent to UVSC. Mr. McKay has also worked on the Capitol for 10 years. He is now working with the Department of Workforce Services, Public Safety, the College of Eastern Utah and Snow College and a number of miscellaneous DFCM assignments including the Regional Office buildings. He is also currently working on the UVSC Wasatch Campus, Lucy Beth Rampton Phase II building, and the new Archives building.

Lyle Knudsen, who was also absent from the meeting, is a Program Director. Lyle has been with DFCM for 14 years and has a wonderful history at DFCM as a qualified and competent individual. He has projects at Utah State University and the University of Utah.

Keith Stepan referenced page two of the report card which identified the Capital Development Group. This group builds the new buildings and consists of five Program Directors who carry an average number of 14 projects. Mr. Stepan is very proud and impressed with this staff and acknowledged the work they do and their work load. Mr. Stepan acknowledged the four classroom buildings as a credit to this group in which Blake Court was directly involved. It saved the State \$2 million and provided 22% more space than originally programmed. These four individual buildings, on four individual campuses, came in on schedule and under budget. Intermountain Contractors gave four awards to DFCM last year for their projects.

ADMINISTRATIVE REPORTS FOR UNIVERSITY OF UTAH AND UTAH STATE UNIVERSITY

Kenneth Nye stated Mike Perez, University of Utah, had previously indicated that they would not be in attendance. He hoped the new format of the administrative report would assist the Board. There were no significant items or activity for the report.

MOTION: Manuel Torres moved to accept the University's of Utah administrative report as written. The motion was seconded by Vice Chair Kerry Casaday and passed unanimously.

Darrell Hart, USU, showed a thermograph map of the campus that was done in the spring of 1997. It showed the leakage of energy into the ground, which is a combination of steam lines and condensate lines. Mr. Hart then displayed a new thermograph which was done last spring to show what had been accomplished through the Heat Plant and Steamline project and the savings in terms of energy savings.

Chair Jardine referred the Board to the summary sheets and noted the two new delegated projects. He sought questions on the report.

MOTION: Steven Bankhead moved to approved Utah State University's administrative report. The motion was seconded by Katherina Holzhauser and passed unanimously.

☐ ADMINISTRATIVE REPORTS FOR DFCM

Keith Stepan stated there were seven new architect/engineering agreements. There have been some issues this year regarding fees and Mr. Stepan explained that DFCM has provided over the last three years a report to the Legislature. Out of 203 agreements, the A/E design fees averaged 7.4%. The firms were spread out over a number of firms so there was good distribution of the work across the state. The highest number of contracts issued to one firm over the three years was nine for the major architectural firms.

Mr. Stepan mentioned the contingency reserve fund and the reserve funds listed were how DFCM has been funded the last two years and will be next year. After this year those funds will not have excess money in them and DFCM will need to be funded by the Legislature in another way, hopefully in the general funds. DFCM is seeing some implications in terms of recruiting and their efforts in getting quality people to come to DFCM in the recruitment. It has become difficult to bring talent to DFCM.

Mr. Stepan stated in conjunction with the preparation of the five-year book, which they are mandated to do by statute, DFCM looked at the future and lack of reporting construction efforts for DFCM and DAS. They felt a need to put together a five-year report card of what happened over the last five years and will continue to do this as a tool to measure the amount of quality work accomplished by the number of people at DFCM. The report card

highlighted that full time employees have decreased and the funding has decreased based on taking it out of the construction contingency fund. The construction climate has helped and the efficiency has helped in terms of DFCM funding itself. Mr. Stepan would rather see them take the project funding reserves and apply them to new buildings rather than the operation of DFCM.

The report card also identified the individual groups within DFCM. He noted the capital improvement group averaged about 28 projects each for the 12 employees. They did 150 projects last year. The leasing group had 5 employees and oversaw 1.65 million square feet of managed rental space. The lease rate is very competitive at \$13.85 per square foot.

The facilities management group was also highlighted. They are funded through an internal service fund and they charge for their services. The book showed the comparables of the private sector and federal government.

A report of the four classroom building was shown and the Intermountain Contractor award for the Design/Build Project of the Year was highlighted. Snow College won an AIA and Intermountain Contractor award.

This report will be given to the Capital Facilities Subappropriation Committee to tell the DFCM story better.

❑ OTHER.....

Chair Jardine sought volunteers for committees listed on the Value Based Procurement schedule.

Keith Stepan asked that Darren Mansell serve on the selection committee for the University of Utah Warnock Engineering Building design selection.

Kerry Casaday will serve on the selection committee for the University of Utah Warnock Engineering Building CM/GC selection.

Steven Bankhead will serve on the selection committee for the USU Engineering Building.

Manuel Torres will serve on the selection committee for the Snow College Activities Center addition and remodel.

Larry Jardine will serve on the selection committee for the USU Housing and Parking design /build project.

Keith Stepan then explained what would occur at the meeting with the Capital Facilities Appropriation Subcommittee meeting later that afternoon. Board members discussed their priorities which they wished to stress to the Board as to their reasoning for importance. They were concerned about the Oxbow facility being the Governor's number one recommendation and felt that other opportunities may be more beneficial.

Keith Stepan informed the Board that Dixie State College has made an agreement with the property owners behind the hospital. The National Guard has also indicated that within 60 days it will have the money to start the Readiness Center and that it is 100% federally funded.

There is also a new proposal for an Ogden Veterans Retirement Facility. The federal program may require State O&M funds.

Mr. Stepan also noted that the President of the Uintah Basin ATC, Shane Douglas Larsen, was killed in an automobile accident on February 3 and he extended condolences to his family.

Steven Bankhead commented that the construction industry has been very competitive in the past and he noted the increasing prices of lumber and copper have gone up by about 50% in the last year. This period of very competitive value prices may not remain.

Matthias Mueller and Dennis Kellen, DABC, provided background on the DABC warehouse facility and its capabilities.

□ ADJOURNMENT.....

MOTION: Manuel Torres moved to adjourn to tour the DABC Warehouse at 11:11am. The motion was seconded by Steven Bankhead and passed unanimously.

Minutes prepared by: Shannon Lofgreen