

**Florida Agricultural and Mechanical University
Board of Trustees**



**Facilities Planning Committee Minutes
Trustee Spurgeon McWilliams, Chair**

Wednesday, March 4, 2015

Committee Members Present: Trustee Spurgeon McWilliams (Chair); Trustee Kelvin Lawson; Trustee Cleve Warren, Trustee Karl White and Trustee Kimberly Moore.

Others Attending: Trustee Solomon Badger; Trustee Bettye Grable; Trustee Tonnette Graham; Trustee Marjorie Turnbull; President Elmira Mangum; Provost Marcella David; Vice President Dale Cassidy; Vice President Tim Moore; Vice President William Hudson; Vice President Jimmy Miller; Vice President Thomas Haynes; Vice President Richard Givens; Executive Assistant to President Linda Barge-Miles; Attorney David Self; Interim CIO Michael James; and Interim Athletic Director Dwayne Robinson.

ACTION ITEMS

Approval of the Minutes – March 4, 2015

Chairman McWilliams asked for approval of the Minutes for the Facilities Planning Committee meeting of December 3, 2014. Trustee Moore moved to approve the minutes and the motion was seconded by Trustee White. The motion carried.

Approval of Contract Amendment #4 for the Pharmacy Phase II Project

Chairman McWilliams recognized Mr. Kendall Jones, Director of Physical Plant to present the Approval of the Contract Amendment #4 for the Pharmacy Phase II Project.

Mr. Jones stated that the initial funding of \$1,071,000 in FY 2003-2004 was to initiate the design of the Pharmacy Phase II five story building project. Funding in the amount of \$2,000,000 was appropriated in FY 2008-2009, \$23,000,000 was appropriated in FY 2010-2011 to complete the design and initiate construction for off-site work, early site work and vertical construction. The University received additional funding in the amount of \$10,000,000 from the Legislature in FY 2014-2015 for vertical construction. The Construction Manager for the project is Skanska USA. This Contract Amendment #4 is to add \$9,027,702 to the Construction Manager's existing contract of \$23,001,842.

To date, three (3) amendments have been approved totaling \$22,817,450 and six (6) change orders have been approved resulting in a total commitment of \$184,392.

Original Contract - \$189,093 for preconstruction work:

- Amendment #1 - \$1,493,485 for offsite work;
- Amendment #2 - \$1,134,872 for early site work; and
- Amendment #3 - \$20,000,000 for vertical construction work;
- Change Order # 1 - Revised the scope of work to the off-site parking, retention pond, and Substantial Completion Date, at no cost;
- Change Order #2 – Revised the Substantial Completion Date for the off-site parking and retention pond, at no cost;
- Change Order #3 - Increased the GMP by \$184,392 for retaining wall modifications, storm water system modifications, fire line modifications, installation of a counterpoise electrical duct bank, removal of unsuitable soils, and increased general conditions;
- Change Order #4 - Was a deduction of \$500,000 from the Construction Manager’s Contract so the University, rather than the Contractor, could make purchases of construction materials and thus realize savings in unpaid sales taxes;
- Change Order #5 – Realigned ongoing construction activities at no additional costs to accommodate long lead items, general conditions and associated revisions required by structural engineer of record;
- Change Order #6 – Added a secondary 15KVA electrical power feed to the northeast portion of the campus in case the primary power feed should fail for a total cost of \$106,550.

The University’s Construction and Facilities Management staff and the architect/engineering firm for the project have reviewed Contract Amendment #4 and concur with its justification and cost. This Contract Amendment #4, if approved, will result in a revised contract amount of \$32,029,544 for the Construction Manager’s contract.

The Facilities Planning Committee vote resulted in a recommendation that the Board approve Contract Amendment #4, for the Pharmacy Phase II project, which increases the existing agreement of \$23,001,842 by \$9,027,702 to the new amount not to exceed \$32,029,544.

Questions/comments associated with this item:

Amendment #4 for the Pharmacy Phase II Project	Was there a required bid process associated with this new work by expanding the scope of work that addresses the 9 million plus? (Moore) No, the authority was already approved, we are just adding to the contract. It was a phase funded project from the Board of Governors. (Jones)
	Are we moving forward with a specific vendor? (Moore) No, this is just considered one project. (Jones)

	Did additional funds expand the scope of work? Is your required bid process attached to the expansion of the scope of work? (Moore) No. (Jones)
	This is an ongoing project and does not complete the whole scope of the project. As we are aware, the Legislature appropriates money in phases. (McWilliams) That is correct. (Jones)

Trustee McWilliams asked for approval of the Contract Amendment #4 for the Pharmacy Phase II project, which increases the existing agreement of \$23,001,842 by \$9,027.02 to the new amount not to exceed \$32,029,544. Trustee Lawson moved to approve the Contract Amendment #4 for the Pharmacy Phase II project and the motion was seconded by Trustee White. The motion carried.

Information Items

Project Updates

Mr. Jones was recognized to discuss the three (3) project updates. Mr. Jones gave the following updates:

Pharmacy Building Phase II

Mr. Jones stated that the foundation and vertical steel work is progressing. The University's project team collaborated with the architect, construction manager (CM) and Pharmacy administration as the project scope was finalized. Based on the remaining funding, two of the five floors will be shelled until additional funding is identified. The project estimate previously provided by our original consultant has proven to be inconsistent with the CM's estimated project cost.

Questions/comments associated with this item:

<i>Pharmacy Building Phase II</i>	Was the estimate originally provided by the architect? (Warren) The original architect of record provided the estimate, which was proven not to be a good estimate. (Jones)
	When the estimate was received, did we also receive an estimate from the Construction Manager? (Warren) Yes, much later in the process. (Jones)
	Are we suffering from project creep in the scope of this building or were we off base originally? (Warren) The architect was off base. (Jones)
	Was this contract bid to some upper limit? As additions are made to the building, are we within that upper limit? If we have a greater scope that is beyond the original bid of the contractor, is this new scope competitively bid? Does it just get added to the existing contract of the existing contractor? (Warren)

	<p>The Construction Manager was originally awarded the bid to build the project out. The work behind that bid is to develop a budget that is consistent with the design of the architect. The current budget is \$36 million, which is considered to completely build out the Pharmacy Building. (Jones)</p>
	<p>Was it contracted to build out the building irrespective of the budget? (Warren) Yes. (Jones)</p>
	<p>When we do the provisions, what kind of failsafe do we have that protects us against budget creep? Is there a penalty clause if the Construction Manager gives us a figure and then requests more funds? What kind of penalties are there and what assurance do we have within the contract that the Construction Manager understands that we need to stay within the budgeted amount? Do we look at value engineering? What is the process for making sure that we stay within the amount of money allotted? (Moore) Those provisions are in each contract. However, on this particular project, we had problems with the initial design team. We had to remove that design team after a certain point. We have a new architect of record. We are in the process of reconciling the issues with the first architect, his proposed budget and the actual construction costs for the project. (David Self)</p>
	<p>Why did we have trouble with the initial architect's design? Why were we not able to anticipate that up front? What changed? (Moore) Later on in the process, we found that that particular architect had to be replaced. We did get the complete design drawings from him, but it took about 18 months. (David Self)</p>
	<p>Was there any way of knowing this ahead of time through the bidding process? What assurances do we have that the person that we select is going to be able to complete the project to our satisfaction? There seems to be a pattern that we are changing in mid-stream and I would like to know what we are doing so that this does not happen again? (Turnbull) The selection process started in 2003-2004. It was a competitive process with the bidding process that was in place at that time. Each professional is required to have the proper insurance coverage along with a payment and performance bond. We do have those in place. (David Self)</p>
	<p>Are we required to take the low bid or can we look at credentials and actually go above the low bid if we find that the low bid is not up to our standards? (Turnbull) It depends on the particular selection process that we use on a particular project. It could be a bid process or it could be an</p>

	invitation to negotiate. (David Self) We used a competitive bidding process, but the criteria, background and experience were also taken into consideration. (Kendall)
	In reference to the two of the five floors that will be shelled, are we requesting additional money from the Legislature to complete the project? (White) No, currently the additional funding being requested is for furniture and equipment, which is \$1.48 million. (Jones)
	Is there any action toward dealing with the women's dormitory situation from a facilities standpoint? (McWilliams) We are looking at a few options to possibly repurpose the facility. There are several options on the table in terms of what would be the appropriate way to move forward. Nothing has been decided at this point. (Jones)
	ACTION ITEM: Do you have any idea when you would be able to provide us with a report about what your options are and your timeframe? (McWilliams)

Chairman McWilliams recognized President Mangum to provide her thoughts on the University facilities.

A Senior Leadership Retreat is scheduled for next week to look at the Campus Master Planning and facility needs. We will also discuss the repurposing of some of the facilities that are vacant. Housing is one of them, but academic space and how we grow out our academic community is significantly an important part of that and how we reuse some of the existing facilities. We have seen some proposals for alternatives that we are using in trying to fundraise around certain types of facilities, but holistically we need to review the Master Plan to see what it is that we need to do as it relates to our academic programs before we make decisions or entertain a lot of proposals about housing and other alternative uses for existing facilities. We will provide more information in the next couple of weeks, but it will take a planning effort of the entire campus in order for us to make some definitive proposals to you about how we build out the campus. (President Mangum)

FAMU/FSU College of Engineering Phase III

Mr. Jones stated that the contract with the original architect of record has been executed and the project team is working with the consultants to define the additional project scope of work. The project team is working to develop the contract amendment for the original construction manager for the additional allocation. The CM's contract amendment will be brought to the Board of Trustees for approval.

Questions/comments associated with this item:

<p><i>FAMU/FSU College of Engineering Phase III</i></p>	<p>I am confused on the various phases of the College of Engineering. What are we requesting from the Legislature this year? Is this an additional building, additional upkeep, or additional maintenance? Are we constructing another building? (Turnbull) The current appropriation of \$10 million was decided by the Board of Governors to be used for renovation activity in the existing facilities. (Jones)</p>
	<p>Is this Phase III? (Turnbull) It is considered a portion of Phase III. (Jones)</p>
	<p>So we don't have all the funding for Phase III? (Turnbull) No. (Jones)</p>
	<p>We might want to clarify that so that no one gets the idea that we have the funding for the entire project. My main concern is that we want to make sure that people understand what is left to be done. (Turnbull) All of the \$10 million will be used for renovation. (Jones)</p>
	<p>When looking at the bid process and the suppliers that we use, we need to look harder at the people we choose. We need to review their track record to see if they have delivered what they agreed to in the contract. This may help with the elimination during the bidding process. (Lawson)</p>
	<p>It would be good for the Committee to hear how we have changed our process and what we have learned. It would be beneficial to walk the Committee through the different processes. In terms of how we look at bidding, there is a focus on the lowest cost to build. I feel that we should be concerned with the total cost to operate over the life of the building and that may not necessarily be the lowest cost to build. Each year we have to deal with the final product of what is built. I strongly suggest that we figure out a way, in our process, to make that a serious part of what we are looking at so that we don't make poor decisions in focusing on the lowest cost to bid. (White) The construction business processes were updated about a year and a half ago and approved by the Board of Trustees. These points were taken into consideration as we updated the project material. (Jones)</p>

SGA Grand Ballroom /Student Union

Mr. Jones reported that the Grand Ballroom renovation project started in October 2014 and was scheduled to be substantially completed at the end of January 2015, however, due to project scope changes; substantial completion has been extended to March 2015.

The Student Union renovation portion of the project is in the design stage. The construction documents are expected to be completed at the end of March 2015. The project will be completed over several phases to accommodate the Student Government Association (SGA) staff during the renovation activity.

Questions/comments associated with this item:

<p><i>SGA Grand Ballroom/Student Union</i></p>	<p>In reference to the budget approval for renovating the main dining room in the Student Services Center, is Facilities Planning and the staff involved in this budget process for the project? Does this Committee need to ensure that we do something associated with this since there is construction and other work involved. (White)</p> <p>It has been approved from the contract standpoint and they are looking at approving the funding to the point where the architect becomes involved and we can actively start working with Auxiliary Services on the planning aspect. Once it becomes an information item, the Facilities Committee will brief the Board. (Jones)</p>
	<p>Does the Committee approve of the project before the funds are requested? I would like to make sure that the Facilities Planning Committee knows exactly what is going on around the construction. (McWilliams)</p> <p>We have been a part of the process. (Jones)</p>

There was no further business. The Committee adjourned at 9:30 a.m.

Trustee Spurgeon McWilliams
Committee Chair

Transcribed by:

Cynthia Russell