

SCFP SUBCOMMITTEE ON TWIN CITIES FACILITIES AND SUPPORT
SERVICES (STCFSS)
MINUTES OF MEETING
APRIL 17, 2007

[In these minutes: General-Purpose Classroom Update and Office of Classroom Management Overview, HEAPR Funding Process Update]

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate, the Administration or the Board of Regents.]

PRESENT: George Wilcox, chair, Anne Falken, Denny Olsen, Laurie Scheich, Bernadette Corley Troge, Calvin Alexander, Gary Jahn, Lyndel King, Patrice Morrow, Daniel Malmø

REGRETS: Michael Berthelsen, Steve Fitzgerald, Lorelee Wederstrom, Gary A. Davis, Howard Towle, Judith Martin

ABSENT: Sean Hanner, Jonathan Pritchard

OTHERS ATTENDING: Gordon Girtz

I). Professor Wilcox called the meeting to order.

II). The committee unanimously approved the March 20, 2007 minutes.

III). Professor Wilcox reported that Jerome Malmquist from Facilities Management – Energy Management had been scheduled to provide the committee with information concerning the University’s efforts to green the campus. Unfortunately, Mr. Malmquist had a scheduling conflict for this morning, and is unable to attend this meeting. Professor Wilcox noted that he will be invited to attend a fall STCFSS meeting.

Professor Alexander noted that there is a major effort taking place on both the Minneapolis and St. Paul campuses to make the campuses more environmentally friendly. When the committee hears from Mr. Malmquist it expressed an interest in learning:

- Whether the University has a conceptualization of how the Twin Cities campus can be carbon neutral.
- What greening initiatives has the University undertaken and what efforts do they plan to undertake in the future.
- What standards does the University use as part of its greening efforts, e.g. LEED.
- The University’s attitude toward green rooftops?
- Would the University ever consider using solar power?

IV). The committee brainstormed agenda items for the 2007 – 2008 academic year and came up with the following ideas:

- Receive a report on the status of graduate and professional student housing.
- Receive an update on the status of Andersen Library.
- Receive a report from Jerome Malmquist from Energy Management about efforts to green the Twin Cities campus.
- Receive an update on the Food and Beverage RFP either late fall 2007 or early spring 2008.
- Invite Vice President for University Services Kathleen O'Brien or a designee to provide the committee with an update on the Campus Master Plan.
- Learn what discussions are taking place around light rail. Is it more likely the rail line will run underground or above ground? Also, bring in a guest to provide information on the airports' light rail problems.
- Receive a Northrop Auditorium renovation update.

Professor Wilcox thanked the committee for their ideas.

V). Professor Wilcox welcomed Associate Vice President of Capital Planning and Project Management (CPPM) Mike Perkins to today's meeting. Mr. Perkins went on to provide the committee with the *FY 07 Capital Improvement Budget Semi-Annual Report*, which he shares with the Board of Regents Facilities Committee twice per year. A handout to supplement his presentation was distributed to members. Mr. Perkins highlighted the following:

- CPPM accepts full responsibility for:
 - Meeting project scope expectations.
 - Delivering expected quality.
 - Delivering projects on schedule.
 - Delivering projects on budget.
 - Improving process productivity.
 - Limiting/eliminating legal liabilities.
- CPPM has two divisions, a small and mid-range division and a large projects division.
- Projects in the small to mid range division:
 - Range in scope from \$0 to \$5 million, but generally projects in this category are \$2 million max.
 - Are on the Twin Cities campus.
 - Funded out of HEAPR (Higher Education Asset Preservation and Repair), R&R, and Twin Cities departments/units.
 - Have a total average spend of \$30 - \$60 million per year.
- Currently, there are 420 active small to mid range projects underway on the Twin Cities campus.
- To date, \$77.5 million has been budgeted for small to mid-range projects and \$36.9 has been committed. Most of the projects in this category come to CPPM on an unplanned basis. CPPM, therefore, struggles with how to put these projects in a logical queue.

- CPPM has its small to mid-range customers evaluate its performance and it also evaluates itself.
- Small and mid-range initiatives include:
 - Best Value Procurement "Pilot Project" – This is a system whereby the University does not simply buy based on the lowest bid, but considers past performance, price proposals and risk assessment information.
 - Use of the MS Project platform.
 - Cleaning up its documents library and exploring ways to improve the CPPM internal process.
 - Investigation into purchasing new estimating software, which hopefully will refine the University's price proposals.
- Projects in the large project division usually have a value of greater than \$2 million. There is some overlap between the small/mid-range division and the large projects division in terms of dollar value; funding source determines which division handles a project.
- Currently, 100% of the large projects are within budget.
- There is a large project on the Morris campus, a gasifying project to burn corn stover, which is experiencing scheduling difficulties due to the unique nature of the project.
- There are 21 large projects underway, with a current value of \$372 million.
- Average large project cost is approximately \$17.7 million.
- Largest current project is the Medical Bioscience Building, which is valued at \$67.5 million.
- Smallest capital project currently underway is the Cedar Creek Natural History area, which is valued at \$1.7 million.

Next, Mr. Perkins highlighted projects underway:

- 717 Delaware Street S.E. Renovation Project
- Ben Pomeroy Student-Alumni Learning Center
- Cedar Creek Natural History Area: Science & Outreach/Housing
- Education Sciences Building
- Equine Center
- Folwell Hall Exterior Stabilization Project
- Hanson Hall and Skyway: CSOM Expansion
- Kolthoff Hall Ventilation Upgrade
- Mayo Auditorium and Classroom Renovation Project
- Medical Biosciences Building
- Northrop Auditorium: Exterior Stabilization and Code Upgrade
- Plant Growth East Addition: BLS-3 Containment Facility
- Veterinary Diagnostic Lab: BL3 Necropsy Lab
- University of Minnesota Boat House
- Duluth Labovitz School of Business and Economics
- Morris Biomass Heating Plant Addition
- Duluth Life Science Remodel and Addition

- Duluth Darland Administration Building Exterior Stone Replacement & Waterproofing
- Crookston Campus Steam Plant Utility Infrastructure
- Bell Museum of Natural History

Questions/comments from members:

- How often is it that the University does not hire a contractor based on the lowest bid? Based on current statistics, noted Mr. Perkins, there are 27 projects in the pipeline, which are valued at approximately \$8.5 million, of which the University has chosen the lowest price proposal 52% of the time. Overall, CPPM is meeting its budget expectations, and, in fact, is under budget by 13%. Mr. Perkins stated that when there is a low-bid purchase, seldom is the low bid price actually paid because these bids are often laden with change orders.
- Does the gasifying project on the Morris campus have any faculty involvement? Mr. Perkins noted that because this project has research implications, it may have faculty involvement; however, in terms of involvement in the building aspects of this project, Mr. Perkins is unaware of any faculty involvement.
- Is there a process for seeing if faculty could lend their expertise to the Morris and other University construction projects? Mr. Perkins stated he is confident there are ways it could happen, and it probably has happened behind the scenes for some projects. Mr. Perkins agreed to look into this further and report back to Professor Wilcox.
- Is the University looking at doing more with green roofs? Mr. Perkins reported that CPPM is looking at green roofs in terms of sustainability, but this is an area from a facilities and a development standpoint that other sustainable options tend to be preferred. Green roofs are somewhat untested, and, therefore, Mr. Perkins is of the opinion that he would rather watch their development before moving forward at this point.
- Has CPPM changed how it determines if a project is going well? Does CPPM use a buyer's agent to look after the University's interests? Mr. Perkins stated that for the University's major projects (\$5 - \$7 million), it either hires an independent agent or assigns a contract project manager to oversee a project. This person oversees the quality and the amount of construction going into a particular project and watches to make sure the contractor does not try to claim more value for a project than what is being put into the project. Additionally, this person helps the University resolve any issues that arise with a project. Construction, noted Mr. Perkins, is an art and not a science; hence, it is an imperfect process.
- What is the difference in the roles of a project executive and a project manager? Mr. Perkins stated that a project executive is a person that owns a project from an administrative standpoint, and a project manager is a person that works on a project day in and out.
- There is a general perception that it costs at least 20% more to build at the University than elsewhere in the state. Please comment on this statement. Mr. Perkins would not corroborate a percentage, but agreed that it does cost more to build at the University. The reason it costs more is because the University has an extremely collaborative process, which is very extensive. Additionally, the

- University has a lot of standards and guidelines, which must be adhered to. Cost of building supplies such as steel, concrete, etc. also continue to go up.
- Does the University have stricter codes than other organizations? Some, stated Mr. Perkins. There are items that the University's Building Code Division will not approve, which other organizations would approve. Generally, the University assumes a less-risk position and has a much more conservative approach than other organizations.
 - Do buildings with diverse space (e.g. labs, classrooms, offices) cost more to build than buildings that do not have these requirements? Some cost can be attributed to diversity in a building, noted Mr. Perkins, but most of the University's cost difference is attributable to its process.

Professor Wilcox thanked Mr. Perkins for his presentation.

VI). Professor Wilcox thanked members of the committee for their service during the 2006 – 2007 academic year. Hearing no further business, Professor Wilcox adjourned the meeting.

Renee Dempsey
University Senate