SCFP SUBCOMMITTEE ON TWIN CITIES FACILITIES AND SUPPORT
SERVICES (STCFSS)
MINUTES OF MEETING
MARCH 22, 2005

[In these minutes: UMD Facilities Management Design Methodology, Professor
Alexander to Chair STCFSS for 2005 – 2006, Mike Denny from CPPM to Attend April
19th STCFSS Meeting]

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

PRESENT: Calvin Alexander, chair, Elizabeth Anderson, Dan Allen, Steve Fitzgerald,
Laurie Scheich, Steve Spehn, John Adams, Gary A. Davis, Gordon Girtz, Brian Horgan,
Gary Jahn, Patrice Morrow, Jennifer Hannaford

REGRETS: Carrie Meyer, Richard Straumann, Peggy Johnson, George Wilcox

ABSENT: Lorelee Wederstrom

GUESTS: Greg Fox, UMD Vice Chancellor for Finance and Operations, John King,
UMD Facilities Management Director, John Rashid, Manager of Design, UMD
Construction and Building Services

I). Professor Alexander called the meeting to order.

II). Professor Alexander, by way of introduction for today¹s main agenda item, noted that
STCFSS spends a lot of its time investigating service and facility problems/challenges on
the Twin Cities campus. He noted that the UMD Facilities Management system has
repeatedly been used as an example of a model that works well, and, as a result, the
Subcommittee is interested in learning more about that model.

Vice Chancellor Fox began by noting that the STCFSS invitation puts UMD in a
somewhat awkward position. He added that over the years he has had the opportunity to
work with very talented UMTC employees such as Laurie Schiech, Steve Spehn and
Gordon Girtz, to name a few, and that these joint collaborations have helped to improve
the UMD model. Additional information highlighted by Vice Chancellor Fox included:

- The Duluth campus has a significant number of projects occurring at any given
  time. Over the past 5 years, UMD has had $150 million in projects that are either
  in the planning phase, have recently been completed or are under construction. In
  terms of its projects, UMD accepts both owner¹s responsibility and owner¹s risk.
  In UMD FM¹s opinion, sharing responsibility and risk does not work to the
  institution¹s advantage.

- UMD uses a team approach for all its projects. Much of the talent needed for projects is available on campus. Working as a system is very important to UMD.
- UMD FM recruits, trains and supports its key staff and their expertise. While campus administration may view an issue/project from one perspective, it is critical for the administration to step back and listen to the recommendations of its experts to ensure that any decisions that are made are done so in the best interest of the institution.
- UMD FM works closely with its consultants and is proactive in the management of its projects.
- Whatever construction method is used, design/build, design/bid/build, construction manager at risk, is made appropriate to a particular project. From UMD¹s experience the design/build approach is not appropriate for complex projects.
- UMD FM has strong relationships with its consultants. Naturally, the size of the Duluth community helps to make this possible.
- UMD FM has repeatedly brought their projects in on time and on budget.
- The inspection responsibility remains in-house at UMD.
- As new initiatives become priorities for the campus, UMD FM tries to be on the cusp of these efforts e.g. storm water project and sustainability efforts. While such initiatives have costs associated with them, they also have long-term societal value.

Next, Mr. King, director of UMD FM, provided members with background on the department as it relates to project delivery. He highlighted the following:
- The size of the UMD campus is roughly equivalent to the size of a zone on the Twin Cities campus.
- UMD FM manages large capital projects, repair and replacement projects, and renovation and remodeling projects on its campus while also overseeing other large capital projects in northern Minnesota e.g. Grand Rapids, Cloquet, etc. for the University.
- In terms of project management, UMD has chosen to keep its inspection responsibility in-house, which is different from how the Twin Cities campus has managed its inspections.
- At roughly the same time as UMD FM made the decision to retain its inspections in-house, a decision was made by UMD to hire its own project manager. Prior to this all UMD projects were handled centrally from the Twin Cities campus.
- It is UMD¹s philosophy to go the extra mile to establish strong relationships with its consultants and contractors.

Discussion highlights (Q = Question, A = Answer, C = Comment):
Q: STCFSS has heard that the way the state chooses to fund projects puts the University at a disadvantage because before any design consultation can occur a bid must be submitted. Is UMD funded in the same way as UMTC?
A: Yes. However, Vice Chancellor Fox noted that UMD works hard to restrict ³scope creep² once a project has been approved. ³Scope creep² means that once a certain amount

of money has been allotted for a project, UMD FM diligently works to ensure that the scope of the project does not expand beyond the funds that are budgeted for that project.

Q: What is wrong with the process that leads to ³scope creep²?
A: Oftentimes when a project is initially being discussed, people do not believe that it will actually need to live within a specified budget. As a result, not as much forethought may go into the planning stage, as it should. Projects often go from a hoped-for dream to reality (including a project budget and programmatic plan).

C: The fact that one person is responsible at UMD to shepherd projects through the UMD system from start to finish also reduces ³scope creep². Committee members said this does not seem to occur on the Twin Cities campus. Mr. Rashid noted that he is responsible for a project from pre-design through construction. Original decisions need to be upheld and someone needs to be able to say ³no² to change orders. The continuity of having one person involved in a project from initial conception through construction is key.

Q: Is UMD more likely to get accurate construction quotes that cover the costs of a project because contractors know they will not be able to make up their margins on change orders?
A: UMTC is in a very different situation than UMD, which is a much smaller community. Because of this, one of the advantages that UMD may have is that many of the contractors and construction workers are often on the UMD campus on a number of different projects and have a clear understanding of UMD¹s objectives and construction expectations. As members of the Duluth community, these contractors and unions have an interest and pride in UMD¹s success that may be more difficult to generate in a larger community. Vice Chancellor Fox added that he does not want to leave the impression that UMD does not have its share of change orders, because it does. Change orders are inevitable even on a well-managed project. An example of a situation illustrating a change order problem was shared with the Committee. It was noted that the matter was successfully resolved because it was caught early and because a partnering meeting was convened to address the concerns that had come to UMD¹s attention.

C: UMD FM noted that it is their philosophy to try to buy as much square footage into the design of a project as possible so that additional equipment and other items can be added at a later time when funding is available. Square footage that is lost during the design of a project can never be replaced.

Q: How is ³scope creep² contained while new initiatives e.g. sustainability, etc. become priorities for the campus?
A: It was noted that new initiatives are factored into projects from the onset.

Q: Does Duluth fund its infrastructure improvements the same as the Twin Cities?
A: On the Twin Cities campus, necessary infrastructure improvements are added on to projects as they become necessary. Infrastructure improvements have been an on-going

challenge for UMD. UMD FM has been working hard to coordinate its utility infrastructure master plan with its campus master plan to help alleviate this challenge.

Q: There are examples on the Twin Cities campus where inspections have failed to occur. What is the basis for UMD taking one approach to inspections and UMTC taking another?
A: According to Vice Chancellor Fox, the Office of the General Counsel may have a specific legal position on this issue. In Mr. Fox¹s opinion, the institution is better off in terms of its rights when it assigns this responsibility to someone internally and holds that individual accountable. Inspections are an unavoidable risk for the institution; ultimately it is the University that has the deepest pockets and has the most at stake.

Q: Are there pre-design principles in place to help reduce the cost for future modifications to a particular building if changes were to be made in the future?
A: Several of UMD¹s buildings e.g. the Library and Lab Sciences Building, have incorporated flexibility into their design. It was also noted that when UMD decides to build a building it tries to find the best building of its kind and then copy its successful design principles. For example, the Grainger Engineering Library at the University of Illinois at Urbana-Champaign was used as a model for UMD¹s Library. It was further noted that UMD does not restrict its search to campuses that are its same size, because this would be too limiting.

Q: How does UMD avoid building facilities that are too small the minute they are completed?
A: Vice Chancellor Fox admitted this is an on-going struggle and a divisive issue between the campuses, but UMD pushes hard when it feels strongly that more space is needed. While UMD strives to build adaptable spaces, it is likely that if the faculty were consulted they would not agree that spaces on campus had all the necessary features they would like to see. By no means has UMD solved the problem of meeting all the demands of faculty in terms of space.

Q: How does UMD involve a program/department in pre-design discussions?
A: At UMD, generally, a dean will appoint a building committee that will be involved from the pre-design phase through the design development phase. The Labovitz School of Business and Economics was used as an example.

Q: At what point in the process does UMD hire an architect?
A: Typically UMD does not ask the legislature for pre-design money, but finds the money and often jump starts a project before the go-ahead for a project is actually given. With regard to the Labovitz School of Business and Economic and CSOM, permission was received from the President to design these facilities using institutional funds (donor funds). Vice Chancellor Fox reminded members that the budget model at UMD is dramatically different than the budget model on the Twin Cities campus. Unlike UMTC, UMD did not roll out IMG to the colleges, and for that reason often can make campus-wide funding decisions more easily than a decentralized model. UMD has also been successful in receiving donor support for its projects. In the last six years, UMD has

never gone to the legislature asking for construction money without having all of its design work completed. The Life Science renovation, which is a cooperative program with the School of Pharmacy, is the one exception.

Q: Is UMD required to use the State Designer Selection Board?
A: Yes. Vice Chancellor Fox noted that the University has an Attorney General¹s opinion that if donor money is used for a project, it does not have to use the State Designer Selection Board, however, the University has asked that this be done regardless.

Q: How was UMD able to hire Caesar Pelli to design its Weber Music Hall by going through the State Designer Selection Board?
A: The State Designer Selection Board provides the institution with the names of two architects from which the University can choose. It is ultimately up to the local architect to independently make the decision to bring in another architect. UMD in good faith could not, should not and would not direct a firm to affiliate itself with another architect. UMD¹s experience going through the State Designer Selection Board has been fairly positive.

Q: What happens if an architectural or construction firm repeatedly performs poorly? Can the University refuse to use a particular contractor based on past performance?
A: UMD did not know the answer to this question, but would hope that it could refuse to use a contractor based on poor performance.

Q: What is UMD¹s philosophy and approach on construction standards? Is it the same as on the Twin Cities¹ campus?
A: UMD uses the same approach that is used on the Twin Cities campus. While a couple standards found in the Standards and Procedures for Construction (http://www.cppm.umn.edu/standards.html) have been ŒDuluthatized¹, overall UMD uses the same process as UMTC. The Duluth campus is interested, however, in reviewing these standards and ŒDuluthatizing¹ additional standards so it does not have to go through as many ŒException to Standards¹ procedures.

Q: At what point does UMD involve its maintenance and operations people in the design of a building?
A: UMD generally involves it maintenance and operations people in the design review stages. Their input is taken very seriously and incorporated into the final design.

Q: Are building projects required to earmark a percentage of the construction budget for art?
A: Up until this year, the state required that 1% of the construction budget for a project be devoted to art. This requirement, however, has been modified because of escalating construction costs; there is now a cap of $100,000.

Q: Do remodeling projects encounter more unforeseen problems/challenges than new construction projects?

A: UMD¹s Kirby Plaza project was used as an example of a recent remodeling project at UMD. In this situation UMD chose to use construction manager at risk as its project delivery method. This approach was used to reduce the institution¹s risk when it comes to unforeseen problems. UMD in this instance was able to negotiate a guaranteed maximum price with the contractor for the project. The project came in slightly under budget.

Professor Alexander thanked Vice Chancellor Fox, John King and John Rashid for the information they provided the Subcommittee.

III). Professor Alexander announced that he has agreed to serve as chair of STCFSS for one more year, 2005 – 2006. He asked whether anyone was interested in chairing the Subcommittee in 2006 – 2007. If anyone is interested, they were instructed to contact Professor Alexander.

IV). Mike Denny from Capital Planning/Projects Management (CPPM) will attend the April 19th STCFSS meeting to provide an update on the ice and water problems in the East River Road Garage (ERRG). Professor Alexander requested Mr. Denny provide detailed cost estimates for this project, and then asked members if they had any other specific questions they would like Mr. Denny to address. Hearing none at this time, Renee Dempsey, Senate staff, will solicit questions from members via email prior to the April meeting.

STCFSS discussed its charge and how the Subcommittee could be more effective. After much discussion, it was decided that STCFSS should make its voice heard more loudly and clearly within the governance structure and the administration.

V). Hearing no further business, Professor Alexander adjourned the meeting.

Renee Dempsey
University Senate