PROJECT CHANGE REQUEST

TO: Pat Gamble
   President

TO: Kit Duke
   AVP Facilities and Land Management

THROUGH: Tom Case
         Chancellor

THROUGH: Bill Spindle
         Vice Chancellor Administrative Services

THROUGH: Chris Turletes
         Associate Vice Chancellor Facilities and Campus Services

THROUGH: John Faunce
         Director of Facilities Planning and Construction

FROM: John Hanson
      Project Manager

DATE: August 29, 2013

SUBJECT: Project Type: New Construction and R&R Project
          Project Name: Engineering and Industry Building
          Project No.: 08-0024

Cc:

Total Project Cost: $123,200,000
Approval Level: Full Board
Academic Project Program Resource Planning Status Report
UAA Engineering and Industry Building Project – Project Change Request

This project constructs a new facility, parking structure and completes major deferred maintenance and renewal of existing facilities to meet the existing needs of the UAA Engineering program and was initiated prior to acceptance of the Program Resource Planning process by the Regents.

This project change request is required to allow UAA to spend the FY14 Capital Appropriation as outlined in the project development documents.

Milestone #0
Mission Area Analysis: (Completed as part of Ira Fink Engineering Study) Date: 03/11
Statement of Need: (Completed as part of Ira Fink Engineering Study) Date: 03/11

Milestone #1
SAC Review: (Completed as part of Ira Fink Engineering Study) Date: 03/11

Milestone #2
Preliminary Administrative Approval: Date: 11/10

Milestone #3
Statement of Requirements: (Completed as part of Ira Fink Engineering Study) Date: 03/11

Milestone #4
Business and Financing Plan: (Developed in conjunction with FPA) Date: 09/23/11
Operating Budget Request Date: FY11, FY13, FY14 & FY15
Capital Budget Request: Date: FY11, FY13, FY14 & FY15
Legislative Funding: FY11, FY13, FY14
Board Approval of Capital Budget Distribution: FY11 Date: 06/03/10
FY13 Date: 06/07/12
FY14 Date: 06/06/13

Milestone #5
Formal Project Approval: Date: 09/23/11
Schematic Design Approval: Date: 11/19/12

Milestone #6
Construction Started: Date: 05/13
Project Change Request #1 (Current action requested) Date: 09/26/13
Construction Completed: Date: 
Beneficial Occupancy: Date: 
Final Project Report: Date: 

University of Alaska Program Resource Planning
Academic, Budget and Project Planning Process
Rev. 9-8-11

Source Documents:
- UA Strategic and Academic Plans
- MAU Strategic and Academic Plans
- MAU Department Program Review/Proposal
- Accreditation Reports
- MAU Campus Master Plan
- MAU Housing/Campus Life Strategic Plan

Will this proposal require approval by President or BOR?

1. MAU produces an Academic Mission Area Analysis (AMA) and a Statement of Need (SON) (should be contained in the MAU Program Proposal)

2. MAU produces a Program Action Request (PAR) Formerly a HEC Form

3. MAU Submits to SAC for review and concurrence

4. MAU develops a Preliminary Administrative Approval Request (PAA) Not required until after MS #3 unless MAU needs authority to spend to develop the SOR and Business/Finance Plan. Skip to step 6.

5. President approves PAA

6. MAU produces a Statement of Requirements (SOR)

7. Is this an Academic Program?

8. MAU submits MAU, SON and SOR to BOR Academic and Student Affairs Committee for approval


10. President, FLMC and BOR approval of operating and capital budgets, and LRP

11. Governor and Legislature Action

12. UA BOR accepts Appropriated Budgets

13. Board of Regents Project Approval Processes

14. Project Agreement

- Formal Project Approval
- Schematic Design Approval
- Change Requests
- Project Bid/Award Reports
- Final Project Report

14a. Board Approval of Project Plan via the June Distribution List
- Change Requests
- Project Bid/Award Reports
- Final Report on Project Plan

PCR

Process Ends

MS 0

MS 1

MS 2

MS 3

MS 4

MS 5

MS 6

Time Frames
- Steps 1-3 may require 1-9 months
- Steps 4-7 may require 1-3 months
- Steps 8-13 generally require 7-8 months
- Step 14 will vary depending on the size of the project (a few weeks to several years.)

Project Type
- Construction – New or Expansion, Large R&R
- Infrastructure – New or Expansion
- Deferred Maintenance and Small R&R projects

Statement of Requirements Components
- Faculty/Staff
- FF&E
- Infrastructure
- Backfill, Other Second Order Impacts
- New Space, Remodeling
- Building Operations and Maintenance

Process Milestones
- BOR Board of Regents
- MAU Major Academic Unit
- SAC Statewide Academic Council

PCR

PCR
A Project Change Request (PCR) is required for all Capital Projects with a Total Project Cost in excess of $250,000.

For projects that have changes in the source of funds, increases or decreases in budget, savings to the construction budget, and/or material changes in program or project scope identified subsequent to schematic design approval shall be determined by the chief facilities officer based on the extent of the change and other relevant circumstances. This determination requires judgment, but will generally be based on the nature of the funding source, the amount, and the budgetary or equivalent scope impact relative to the approved budget at the schematic design approval stage. Any changes with an estimated impact in excess of $400,000 will require approval by the Facilities and Land Management Committee (F&LMC) or the full Board of Regents depending on the amount of the impact.

Action Requested
The Facilities and Land Management Committee recommends that the Board of Regents approve the Project Change Request for the University of Alaska Anchorage Engineering and Industry Building Project as presented in compliance with the campus master plan, and authorizes the university administration to continue with project construction adding $15.0 million in FY14 capital funding, not to exceed a total expenditure of $77.6 million. This motion is effective September 26, 2013.

Project Change Request Abstract
In June 2012, the Board of Regents authorized the University of Alaska Anchorage to spend up to $62.6 million to proceed with construction on the new UAA Engineering and Industry Project. In the approval, UAA noted anticipated funding from an FY14 State of Alaska appropriation. The State of Alaska provided $15 million of the requested $48.3 million in FY14 funding. UAA is requesting authorization to spend the FY14 funds. The additional $15 million in funding will allow UAA to continue with construction and work to further the completion of the facility while additional funds are sought from the State of Alaska.
RATIONALE AND REASONING

Background
No variance from the approved Schematic Design

Programmatic Need
No variance from the approved Schematic Design

Project Scope
No variance from the approved Schematic Design

Project Impacts
No variance from the approved Schematic Design

Variances
The Board of Regents previously authorized UAA to design the project to a total project cost of $123.2 million, but limited actual spending to $62.6 million (the funding actually available from FY11 and FY13 capital appropriations). UAA is seeking authorization to spend $15.0 million funding from an FY14 State of Alaska Capital Appropriation. The additional funds will increase the authorized spending level to $77.6 million.

With FY14 Capital Appropriation, UAA will need an additional $3,000,000 to be able to complete and occupy the New Engineering Building. Additional funds will be required to provide additional parking to comply with Municipality of Anchorage code requirements before occupancy and to renovate the space vacated in the existing Engineering Building to allow it to be occupied.

Total Project Cost and Funding Sources

<table>
<thead>
<tr>
<th>Funding Title</th>
<th>Fund/Org Account#</th>
<th>Amount</th>
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<tbody>
<tr>
<td>FY 11 UAA/SW Engineering Plan</td>
<td>564337</td>
<td>$140,000</td>
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<tr>
<td>FY 11 UAA Engineering Building Planning</td>
<td>564341</td>
<td>$3,860,000</td>
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<tr>
<td>FY13 UAA Engineering and Industry Bldg</td>
<td>564381</td>
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<tr>
<td>FY14 UAA Engineering and Industry Bldg.</td>
<td>TBD</td>
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<td><strong>Total Available Funds</strong></td>
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<td><strong>$77,600,000</strong></td>
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<tr>
<td>FY15 UAA Capital Request</td>
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<td>$45,600,000</td>
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<tr>
<td><strong>Total Project Cost</strong></td>
<td></td>
<td><strong>$123,200,000</strong></td>
</tr>
</tbody>
</table>

Annual Program and Facility Cost Projections
No variance from the approved Schematic Design

Project Schedule

**DESIGN**

- Conceptual Design: August 2011
- Formal Project Approval: September 2011
- Schematic Design: November 2011
- Schematic Design Approval: June 2012
- Construction Documents: 
  - (New Building): January 2013
  - (Parking Structure): January 2013
  - (Existing Building): February 2013
### BID & AWARD

| Advertise and Bid           | (New Building) | CMAR          |
|                            | (Parking Structure) | Pending Funding |
|                            | (Existing Building) | Pending Funding |

| Construction Contract Award| (New Building) | CMAR          |
|                            | (Parking Structure) | Pending Funding |
|                            | (Existing Building) | Pending Funding |

### CONSTRUCTION

| Start of Construction (New Building) | May 2013          |
| Construction Complete               | September 2015    |
| Date of Beneficial Occupancy        | August 2015       |

| Start of Construction (Parking Structure) | Pending Funding |
| Construction Complete                  | Pending Funding  |
| Date of Beneficial Occupancy           | Pending Funding  |

| Start of Construction (Existing Building) | Pending Funding |
| Construction Complete                    | Pending Funding  |
| Date of Beneficial Occupancy             | Pending Funding  |

| Warranty Period                         | One year          |

### Project Delivery Method

No variance from the approved Schematic Design

### Affirmation

This project complies with Regents Policy, the campus master plan and the Project Agreement.

### Supporting Documents

One-page Project Budgets (New, Parking Garage, Existing)

### Approvals

The level of approval required for PCR shall be based upon the estimated TPC as follows:

- **Changes with an estimated impact in excess of $1.0 million will require approval by the Board based on recommendations from the Facilities and Land Management Committee (F&LMC);**
- **Changes with an estimated impact in excess of $0.4 million but not more than $1.0 million will require approval by the F&LMC.**
- **The new policy language does not address approval levels between $250,000 - $400,000 for project change requests.)**