PROJECT CHANGE REQUEST

TO: Pat Gamble  
President

THROUGH: Kit Duke  
AVP Facilities and Land Management

THROUGH: Tom Case  
UAA Chancellor

THROUGH: William Sprinkle  
Vice Chancellor, UAA Admin Services

THROUGH: Chris Turletes  
Associate Vice Chancellor, UAA F&C

THROUGH: John Faunce  
Director, UAA FP&C

FROM: Howie Morse  
Project Manager, UAA FP&C

DATE: August 23, 2013

SUBJECT: Project Type: Renovation, R&R/DM Project  
Project Name: PWSCC Wellness Center/Campus Renewal  
Project No.: 07-0044

cc:
Non-Academic Project Program Resource Planning Status Report
UAA PWSCC Wellness Center/Campus Renewal – Project Change Request

This project is a major Deferred Maintenance and Renewal of existing facilities and was initiated prior to acceptance of the Program Resource Planning process by the Regents.

This project change request asks to increase the project budget to cover the costs of additional work for undocumented conditions encountered during the project and the extension of the project schedule due to those conditions.

Milestone #0
Mission Area Analysis: (not required at time of project development) Date: N/A
Statement of Need: (not required at time of project development) Date: N/A

Milestone #1
SAC Review: (not required) Date: N/A

Milestone #2
Preliminary Administrative Approval: Date: 02/09

Milestone #3
Statement of Requirements: (Developed during FPA) Date: 12/10/10

Milestone #4
Business and Financing Plan: Date: N/A
Operating Budget Request Date: FY10
Capital Budget Request: Date: FY10
Legislative Funding: FY11 GO Bonds
Board Approval of FY13 Capital Budget Distribution: Date: 06/07/12

Milestone #5
Formal Project Approval: Date: 12/10/10
Schematic Design Approval: Date: 12/09/11

Milestone #6
Construction Started: Date: 05/12
Construction Completed: Date: ______
Beneficial Occupancy: Date: 08/13
Project Change Request #1 (Current action requested) Date: 09/26/13
Final Project Report: Date: ______
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 approves the Project Change Request increasing the approved funding on an amount not to exceed $800,000 for the University of Alaska Anchorage Prince William Sound Community College campus Renewal and Wellness Center Renovation project as presented in compliance with the campus master plan, and authorizes the University administration to increase total project cost from $5,000,000 to an amount not to exceed a Total Project Cost of $5,800,000. This motion is effective September 26, 2013.

Project Change Request: Abstract
During the renovation of the PSCC Wellness Center, the Contractor encountered numerous changed and unknown conditions that have significantly impacted the Contractor’s ability to complete the project within the original schedule. As a result, the Contractor incurred substantial extended overhead costs associated with the extended time required to maintain personnel, trailers, and equipment in Valdez. The Contractor has acknowledged some responsibility for initial management problems that contributed to the delays and has agreed to foregoing all profit on the job in exchange for the University covering his audited costs and overhead. UAA has engaged an independent auditor to establish the Contractor’s costs
and associated overhead. Although the final audit report is still pending at the time of this request, it currently appears that the total project cost increase will not exceed $800,000.

RATIONALE AND REASONING

Background
The Growden-Harrison building was originally built shortly after the 1964 earthquake as an Elementary school and has been added onto in a piecemeal fashion in the following years. The facility has several issues that need to be addressed including hazardous material abatement; inadequate lighting; lack of ADA access. A Wellness Center is housed in the original elementary school gym. Virtually no upgrades or changes have been made to this portion of the building/campus since the college took possession of the property in 1988. In addition to the previously noted issues, inadequate electrical service allows only four of the six available aerobic exercise machines to be operated. Other deficiencies include: lack of separation between aerobics, dance and yoga from the weight and cardio equipment; water damaged ceiling; aged flooring and walls; and severely outdated shower/bathroom facilities requiring frequent maintenance.

Programmatic Need
Programming includes components that ensure education of the whole individual, blending academics with mental and physical wellness. Without renovation, this programming will certainly remain limited. In addition to providing academic wellness coursework for college students, the Wellness Center is the only health and fitness facility in the City of Valdez and provides a focal point for the community in terms of health and wellness. For PWSCC, renovation of this facility is essential to fulfilling the mission of service to students and the community.

Project Scope
This project provided for the renovation of the wellness center including demolition and replacement of existing locker room facilities, replacement of galvanized water supply lines, installation of adequate power and data, new layout of the exercise area, new energy efficient lighting and HVAC equipment and new finishes through the wellness center. Additional work included new exterior finishes on the main campus facility to create an updated entrance to the main facility and replace rotting wooden siding. The new entrance will also address future classroom expansion east of the wellness center.

Project Impacts
The project impacts related to this change request are cost impacts to the Contractor and a resulting need to increase total project cost approval. The funding for this project was from the statewide 2011 GO Bond funds.

Variances
Unfortunately, much of the building could not be accessed during design due to the asbestos containing materials. As a result, many of the unforeseen conditions encountered that might have been identified during the design process were not discovered until after the Contract was awarded and abatement was accomplished by the Contractor. The Contractor discovered additional roofing under the roofing being demolished; it contained additional asbestos material which also had to be abated. During demolition of the walls, the underlying structural connections for columns within the walls were found to be code deficient and needed to be upgraded. The as-built information for the adjacent building was askew and required changes to the structural steel that were not finalized until October, well beyond the Contractors original completion schedule for installing the steel. Underground utilities were found to be in conflict with new foundation footings. An abandoned septic tank was discovered during excavation for the lobby foundation footings. The magnitude of changes and unknown conditions that were uncovered during abatement and the inaccurate as-built information from several building additions only came to light after
the Contractor began the work. This added work severely impacted the original work as scheduled and caused numerous delays and changes resulting in a portion of the work not being enclosed prior to winter which added additional delays and snow removal costs. The delays also caused some of the subcontracted work to conflict with the subcontractor’s original schedules and impacted their availability to do the work as the schedule slipped. As a result, the Contractor incurred substantial extended overhead costs associated with the extended time required to maintain personnel, trailers, and equipment in Valdez. Although the actual cost of performing these changes has been negotiated and paid to the Contractor as they occurred, the extended overhead and overall impact of the delays was deferred to the end of the job. The Contractor has acknowledged some responsibility for initial management problems that contributed to the delays and has agreed to foregoing all profit on the job in exchange for the University covering his audited costs and overhead. UAA has engaged an independent auditor to establish the Contractor’s costs and associated overhead. Although the final audit report is still pending at the time of this request, it currently appears that the total project cost increase will not exceed $800,000.

Total Project Cost and Funding Sources

<table>
<thead>
<tr>
<th>Funding Title</th>
<th>Fund/Org Account#</th>
<th>Original Amount</th>
<th>New Amount</th>
</tr>
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<tbody>
<tr>
<td>FY11 GO Bond Fund</td>
<td>512033-17042</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
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<tr>
<td>FY14 PWSCC Capital DM&amp;R Funding</td>
<td>TBD</td>
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<td>$298,000</td>
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<tr>
<td>FY14 UAA Capital DM&amp;R Funding</td>
<td>TBD</td>
<td>$0,000,000</td>
<td>$502,000</td>
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<tr>
<td><strong>Total Project Cost</strong></td>
<td></td>
<td><strong>$5,000,000</strong></td>
<td><strong>$5,800,000</strong></td>
</tr>
</tbody>
</table>

Annual Program and Facility Cost Projections

- **Facilities Costs:**
  - Maintenance & Repair: $32,250
  - Operations: $22,250
  - Annual O&M Cost: $54,500

- **Annual Renewal and Replacement (for new space)**: $36,012

**Total Annual Cost Increase Projections**: $90,512

Project Schedule

**DESIGN**
- Conceptual Design: August 2011
- Formal Project Approval: September 2011
- Schematic Design: November 2011
- Schematic Design Approval: December 2011
- Construction Documents: February 2012

**BID & AWARD**
- Advertise and Bid: March 2012
- Construction Contract Award: April 2012

**CONSTRUCTION**
- Start of Construction: May 2012
- Construction Complete: September 2013
- Date of Beneficial Occupancy: August 2013
- Warranty Period: One year

Project Delivery Method
- Design-Bid-Build

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

Supporting Documents
One-page Project Budget

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.)
**UNIVERSITY OF ALASKA**

**Project Name:** PWSCC Wellness Center/Campus Renewal

**MAU:** UAA

<table>
<thead>
<tr>
<th>Building: Growden-Harrison Building, PW 104</th>
<th>Date: 8/23/2013</th>
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<tbody>
<tr>
<td>Campus: PWSCC, Valdez</td>
<td>Prepared by: H. Morse</td>
</tr>
<tr>
<td>Project #: 07-0044</td>
<td>Acct #(#s): 512033-17042, and TBD</td>
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**Total GSF Affected by Project:** 10300 10300

### PROJECT BUDGET

<table>
<thead>
<tr>
<th>A. Professional Services</th>
<th>SDA Budget</th>
<th>Amended Budget</th>
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<tbody>
<tr>
<td>Advance Planning, Program Development</td>
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<td>$400,000</td>
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<tr>
<td>Consultant: Design Services</td>
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<tr>
<td>Consultant: Construction Phase Services</td>
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<td>Consul: Extra Services (List:_____________________)</td>
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<td>Site Survey</td>
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<td>Soils Testing &amp; Engineering</td>
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<td>Special Inspections</td>
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<td>Plan Review Fees / Permits</td>
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<tr>
<td>Other</td>
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**Professional Services Subtotal**  $445,000  $445,000

<table>
<thead>
<tr>
<th>B. Construction</th>
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<tbody>
<tr>
<td>General Construction Contract(s)</td>
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<td>Pending Impact Change Order</td>
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<td>Other Pending Change orders</td>
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<tr>
<td>Construction Contingency</td>
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<td>$370,000</td>
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</table>

**Construction Subtotal**  $4,070,000  $4,870,000

| Construction Cost per GSF | $395 | $473 |

| C. Building Completion Activity | | |
| Equipment | $80,000 | $80,000 |
| Fixtures | $15,500 | $15,500 |
| Furnishings not in construction contract | $8,000 | $8,000 |
| Signage not in construction contract | $30,000 | $30,000 |
| OIT Support | | |
| Maintenance Operation Support | | |

**Building Completion Activity Subtotal**  $133,500  $133,500

| D. Owner Activities & Administrative Costs | | |
| Project Plng, Staff Support | $350,000 | $350,000 |
| Project Management | | |
| Misc. Expenses: Advertising, Printing, Supplies, Etc. | $1,500 | $1,500 |

**Owner Activities & Administrative Costs Subtotal**  $351,500  $351,500

| E. Total Project Cost | $5,000,000 | $5,800,000 |
| Total Project Cost per GSF | $485 | $563 |

| F. Total Appropriation(s) | | |

PCR PWSCC Wellness Center/Campus Renewal