



PROJECT CHANGE REQUEST

Name of Project: UAS Freshman Residence Hall, Phases 1 and 2
Project Type: New Construction
Location of Project: UAS Juneau Auke Lake Campus
Project Number: 2004-26
Date of Request: May 6, 2013

Total Project Cost:	\$ 14,030,000	(Increase of \$4,780,000 since SDA)
Approval Required:	Full Board	
Prior Approvals:	Preliminary Administrative Approval	2006
	Formal Project Approval	June 2011
	Schematic Design Approval	September 2012
	Project Cost Increase (\$300,000)	April 2013

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.

Actions Requested

The Facilities and Land Management Committee recommends that the Board of Regents approve the Project Change Request for the University of Alaska Southeast Freshman Residence Hall, Phases 1 and 2, as presented in compliance with the campus master plan, and authorizes the university administration to proceed with construction not to exceed a Total Project Cost of \$14,030,000. This motion is effective June 6, 2013.

Project Change Request Abstract

This is a request to increase the cost of this project by \$4,780,000 in order to fund 1) award of the phase 1 alternate for interior finishes of the fourth floor and 2) construction of phase 2 of this project adding 60 beds to the previously approved project.

RATIONALE AND REASONING

Background

The new freshman residence hall was conceived and designed as a 120 bed facility to be constructed in two phases of 60 beds each. The plan for building in two phases was based solely on the availability of

funding. The project was bid as approved at schematic and with an additive alternate for the second 60 beds. This strategy anticipated additional funding from the legislature which in the end was not forthcoming.

The opportunity to construct the second 60 beds at this time is attractive for several reasons:

- The bids received are within the estimates;
- The cost per bed is 30% less with both phases as opposed to just phase 1;
- Costs to construct the addition later would duplicate costs of bidding, project management and inspection;
- The cost to construct later would be disruptive since the building would be occupied;
- Having 120 beds would allow all on-campus resident freshman to be in one residence;
- There are greater operational efficiencies with the 120 bed facility;

This request is being brought forward due to the MAU's providing an alternative funding strategy which depends on:

- 1) the dedication of some or all of the proceeds from the sale of the Bill Ray Center (BRC) to pay for the phase 2 bid, and
- 2) the reallocation of FY09 R&R capital funds from the Anderson pedestrian improvements to the renovation of the Hendrickson Building.

Proceeds from Bill Ray Sale

This change request would direct all or a portion of the BRC proceeds to fund the second 60 beds the new freshman residence hall.

The sale of the BRC is a recommendation of the recently adopted UAS Campus Master Plan. The campus master plan recommends concentrating academic activities in the core of the Auke Bay campus. This approach is intended to yield more efficient space utilization, and as importantly, increased convenience to students and greater social interaction among all campus users. The Bill Ray Center's location twelve miles from the Auke Lake Campus has led to its underutilization. Nearly 30% of the building's assignable area is occupied by non-UAS entities. No regularly scheduled classes use the classroom space during daytime hours.

However, with the sale of the BRC, there are UAS activities that are being accommodated at the BRC and that will need space at the Auke Lake Campus. The proceeds from the sale of BRC were originally intended to be spent on accommodating this transition simultaneously achieving the renewal of the Hendrickson Building, or some combination of the Hendrickson and Whitehead Buildings. Renewal of the Hendrickson Building has been a top R&R priority capital project for nearly a decade.

Reallocation of R&R

The balance of the FY09 R&R appropriation is approximately \$3.2M from an appropriation of \$10.2M. The funds already spent from this appropriation were used to remodel the Anderson Building. The balance of this appropriation was intended to pay for a path from campus and an overpass across Glacier Highway connecting to the Anderson Building. This project has been stymied by the Alaska DOT&PF's intention to realign the highway. Without a firm commitment on the exact location of the highway, UAS is unable to design a new crossing.

DOT&PF began a project called the Auke Bay Corridor Study in 2006. The recommendations of that study included the realignment of the section of Glacier Highway that fronts the Anderson Building. That

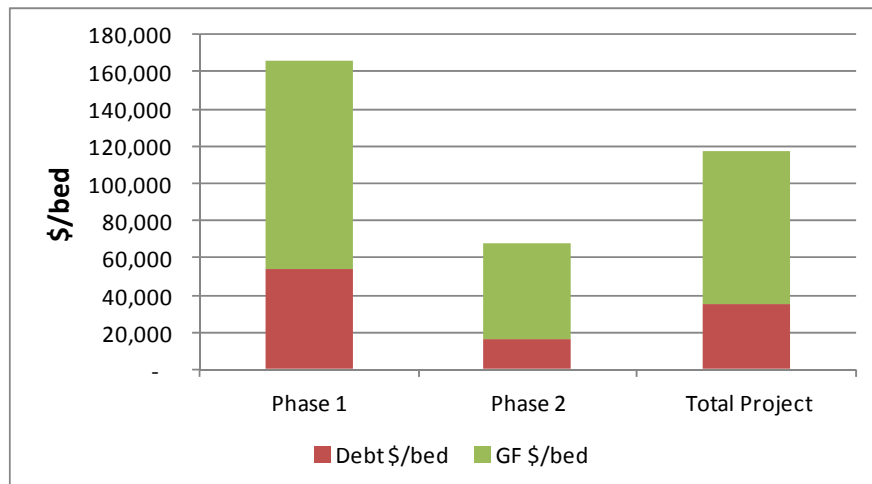
section of highway is entirely a curve and the realignment was intended to make the curve safer for vehicle traffic. Previous state transportation spending plans have included this project in prior years but various circumstances have prevented its final design being completed. Current discussions with DOT&PF indicate at least an additional two years will pass before construction of the realignment and given that there are community interests that have expressed concerns about DOT&PF’s plans, further delays are possible.

The funds for the highway crossing were scheduled to lapse in FY13 and the University has asked that the funds be extended for 3 more fiscal years. Costs to remodel the Hendrickson Building are between \$3.5 and \$4.0M. Aside from making the spaces more appropriate to future uses, the building needs an entirely new ventilation system. Ceiling and lighting systems would also be replaced. If these funds are reallocated to the Hendrickson/Whitehead remodel, a future Formal Project Approval will be prepared for the pedestrian improvement project.

Affordability

The total project cost based on the bids received is within the cost estimated at the schematic phase. If the second phase were not done at this time as part of this contract, the cost would likely be much higher due to both future inflation and to the additional mobilization and inconvenience of building an addition to an occupied residence. The independent cost estimator for this project has estimated the second phase if built as a separate project would cost approximately \$1M more in total project cost.

Phase 1 of this project by necessity includes the “core” systems such as the boiler plus all of the “common” areas such as entrance, laundry, meeting areas, living room, manager’s apartment, public kitchen and central storage. This makes the second 60 beds the more economical as the square feet per bed and therefore the cost per bed is 30% less than the first phase.



The total project cost for both phases at Schematic Approval was \$15.5M. This total included approximately \$1M for upgrades in the existing Mourant cafeteria. Excluding the future cafeteria work, the cost of the project based on the bids in hand is slightly less than estimated.

Programmatic Need

No change

Project Scope

The project scope that would be added under this request is the same as that presented at the FPA and SDA approvals as the phase 2 addition. This addition adds a building “wing” to the core of the residence hall that provides a mirror image of the phase 1 sixty bed wing.

Project Impacts

The date of substantial completion would be extended by 90 days under this change.

Variances

The project scope for the residence hall is the same as that presented at the Schematic Approval. However the bid costs for phase 1 were higher than estimated and an additive alternate to finish the rooms on the 4th floor has not been awarded. Additional FY13 GF operating funds are identified in the following budget to allow the award of this alternative as part of the phase 1 work.

Total Project Cost and Funding Sources

Funding Title	Fund/Org Account#	Original Amount	New Amount
Phase 1 Funding			
FY12 Capital appropriation	563126-77101	\$2,000,000	\$2,000,000
FY12 Revenue Bond	514496-77101	\$2,000,000	\$2,000,000
FY13 Capital appropriation	563135-77101	\$4,000,000	\$4,000,000
Debt/Working Capital Loan (portion of FY13 \$2.25M)	590121-77101	\$1,250,000	\$1,250,000
FY 13 General Fund	590100-77101	0	700,000
Total Phase 1 Project Cost		\$9,250,000	\$9,950,000
Phase 2 Funding			
Debt/Working Capital Loan (balance of FY13 \$2.25M)	TBD	0	\$1,000,000
Proceeds from Bill Ray Center sale	TBD	0	\$3,080,000
Total Phase 2 Project Cost			\$4,080,000
Total Project Cost			\$14,030,000

Annual Program and Facility Cost Projections

The variances in operating costs since the Schematic Approval, plus the addition of the second phase have had these impacts:

1. Utilities costs have been reduced due to using the engineers life cycle cost analysis of the final design as opposed to the average \$/gsf of an existing building (this design is a more efficient envelope than the existing 17 year old building).
2. Debt is \$1M greater due to the second phase being added. This has an annual additional cost of approximately \$150,000.
3. Revenue is estimated to be higher due to the additional 60 beds, this will yield between \$290,000 and \$320,000 depending on occupancy and summer rentals.

The MAU recognizes that the key to the housing cash flow is occupancy. From everything we know about student preferences it is our belief that these rooms will be desirable due to their location, convenience and amenities. The housing cost model is difficult due to high construction costs and debt

service. The MAU is committed to making the finances work given the importance of on-campus resident housing to the Juneau campus's long term academic goals.

<u>Program Costs</u>	<u>Amount</u>
Salaries and benefits for new program Staff and Faculty	\$123,500
<u>Program Operational Costs</u>	<u>\$56,400</u>
Total Annual Program Cost Increase	\$179,900
<u>Facilities Costs:</u>	
Maintenance & Repair (based on 15 th year of similar facility \$/gsf)	\$41,162
<u>Operations (utilities & custodial)</u>	<u>\$118,323</u>
Annual O&M Cost	\$159,485
<u>Annual Renewal and Replacement</u>	<u>41,000</u>
Total Annual Cost Projections	\$380,400

Project Schedule

The schedule under this project change would extend substantial completion by 90 days from what was anticipated under the phase 1 only award. This additional time is warranted due to the larger scope of the project and because the alternate can be awarded up to 100 days from the opening of the bids.

DESIGN

Conceptual Design	2006
Formal Project Approval	June 2011
Schematic Design	July 2013
Schematic Design Approval	September 2012
Construction Documents	February 2013

BID & AWARD

Advertise and Bid	March 2013
Construction Contract Award	April 2013

CONSTRUCTION

Start of Construction	May 2013
Construction Complete	November 2014
Date of Beneficial Occupancy	December 2014
Warranty Period	1-year

Project Delivery Method

No change, Design/Bid/Build

Affirmation

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

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);

UNIVERSITY OF ALASKA						
Project Name: New Freshman Residence Hall						
MAU: UAS						
Building:		Date:		30-Apr-13		
Campus: Juneau		Prepared by:		WK Gerken		
Project #: 04-26		Acct #:				
Total GSF Affected by Project:			21,808	21,726	13,536	35,262
PROJECT BUDGET		FPA	Schematic	Phase 1 Award	Phase 2	Total Project
A. Professional Services						
Advance Planning, Program Development						
Consultant: Design Services	11.0%	848,000	830,000	840,000		840,000
Consultant: Construction Phase Services	3.0%	212,000	230,000	185,000	125,000	310,000
Consul: Extra Services						0
Site Survey						
Soils Testing & Engineering			40,000	40,000		40,000
Special Inspections						
Plan Review Fees / Permits						
Other						
Professional Services Subtotal		1,060,000	1,100,000	1,065,000	125,000	1,190,000
B. Construction						
Dorm Construction						
		Base Bid award	6,420,000	7,068,993	7,419,998	7,419,998
		Phase 1 alt #1 & 3			335,560	335,560
		Phase 2 alt #4			3,284,845	3,284,845
Construction Contingency	6.5%	640,000	494,830	505,631	225,867	731,498
Construction Subtotal		7,060,000	7,563,823	8,261,189	3,510,712	11,771,901
<i>Construction Cost per GSF</i>		\$ 331.69	\$ 346.84	\$ 379.55	\$ 259.36	\$ 333.84
C. Building Completion Activity						
Equipment						
Fixtures						
Furnishings		210,000	150,000	150,000	250,000	400,000
Move-Out Costs						
Move-In Costs						
Art						
Other (Interim Space Needs or Temp Reloc. Costs)						
OIT Support						
Maintenance Operation Support						
Building Completion Activity Subtotal		210,000	150,000	150,000	250,000	400,000
D. Owner Activities & Administrative Costs						
Project Plng, Staff Support						
Project Management	1.5%	420,000	440,691	142,143	58,286	200,429
CIP Indirect Support	3.5%			331,667	136,000	467,667
Owner Activities & Administrative Costs Subtotal		420,000	440,691	473,809	194,286	668,095
E. Total Project Cost		8,750,000	9,250,000	9,949,999	4,079,998	14,029,996
<i>Total Project Cost per GSF</i>		\$ 411.09	\$ 424.16	\$ 457.98	\$ 301.42	\$ 397.88
F. Total Appropriation(s)			9,250,000	9,950,000	4,080,000	14,030,000