

MINUTES

**CONSTRUCTION MANAGEMENT OVERSIGHT COMMITTEE (CMOC)
University of Connecticut, Rome Commons Ballroom
Storrs, Connecticut
September 3, 2014**

COMMITTEE MEMBERS: Charles Bunnell (phone), Marilda Gandara (phone), Thomas Ritter, Charles Urso

STAFF PRESENT: Carolle Andrews, John Biancamano, Thomas Callahan, Debbie Carone, Darren Cooke, Cheryl Chiaputti, Robert Corbett, Laura Cruickshank, Elaine Dumas, Brian Gore, Michael Jednak, Michael Kirk, Matthew Larson, Diane Marquis, Chief John Mancini, Richard Miller, Richard Orr, Bhupen Patel, Rachel Rubin, Robert Sitkowski, John Sullivan, Thomas Trutter, Richard Vollaro, Beverly Wood, Reka Wrynn

GUESTS Michael Daniels Student Trustee
Elizabeth Jockusch, BG&E Senate Representative
Mark Bloom, McGladrey, LLC
Lisa Plack, McGladrey, LLC

Committee Chairman Thomas Ritter convened the meeting of the Construction Management Oversight Committee (CMOC) at 10:00 am at the Rome Commons Ballroom, Storrs, Connecticut.

Chairman Ritter directed the committee to action agenda *Item #1, Approval of the Construction Management Oversight Committee meeting minutes of April 10, 2014 and June 2, 2014*, motion to approve was made by Chairman Thomas Ritter and seconded by committee member, Charles Urso and unanimously approved, as circulated.

Chair Ritter recognized Bhupen Patel, Director of the Office of Construction Assurance, who proceeded with agenda *Item 2, September 2014 Quarterly Report on Construction Performance by the Office of Construction Assurance*.

Mr. Patel referenced his report recommending that criteria be established enabling the committee to judge the efficiency and effectiveness of the program, accomplished through Change Order percentages and related statistics. The Office of Construction Assurance September 3, 2014 Quarterly Report is provided in its entirety below.

To: Chairman and Members of Construction Management Oversight Committee (CMOC)

From: Bhupen N. Patel, Director, Office of Construction Assurance

Subject: Office of Construction Assurance September 2014 Quarterly Report

Date: September 3, 2014

cc: Susan Herbst, President
Rachel Rubin

At Storrs campus, a number of small and medium size projects are in construction phase. Major one is South Campus. There are numerous projects in design and bidding phases. These include residence halls and Engineering and Science Building. Laura and her senior staff will address some of the activities of these projects in detail.

Quarterly Construction Status Report for a period ending June 30, 2014 has been mailed to you. Basketball Development Center and Water Reclamation Facility are major projects near completion. South Campus is a major project. The remaining nine are small to medium size projects. At our last meeting, I proposed and you supported the idea of reporting change order numbers, dollar amount of total and projected causes. The June 30, 2014 report was almost completed therefore it does not have this information. Hopefully future reports will include this information. This type of reporting will inform us about our system wide efficiency or lack thereof.

UCHC has reported seven ongoing projects. Last meeting Tom Trutter verbally reported change order amounts in percentage. Future report will also include change order information as outlined above. Ambulatory Care Center is almost nearing completion. The design change made after the contract awards did not alter elevation and perspective significantly. Addition and alteration was necessitated to facilitate some programs which are to be housed in the first three floors. UCONN should establish procedure for Design Build Construction option policy that certain features recommended by Bridging Architect are not altered. In identifying lowest bidder these items should be factored in. For example, type of foundation etc. Access road intersection improvements will be ready to facilitate new traffic pattern emerging for Ambulatory Care Center and new garage traffic.

There is a need for the University to establish its goal for maximum change order thresholds for various types of construction and renovation projects.

Task Force established by you is periodically reviewing progress of improvement suggestions. Laura and Matt will be incorporating summary of the progress in their presentation. I continue to work with Laura, Robert, and Matt on these issues. I periodically report the information to taskforce chair Trustee Gandara.

This concludes my September 3, 2014 report.

Chairman Ritter asked Mr. Patel if he was able to access the information he required and Mr. Patel responded that “generally, he was currently receiving the requested information”.

Chairman Ritter continued with agenda *Item No. 3, External Auditors Report*, featuring Mark Bloom and Lisa Plack, McGladrey LLP who performed the State required audit engagement for the University. After a brief introduction by Cheryl Chiaputti, Director of Audit Services, Office of Audit, Compliance & Ethics, Mr. Bloom provided the committee with an audit overview, stating the report was based on projects that had been substantially completed during the June 30, 2013 fiscal year (FY); as well as an agreed upon procedure review of construction expenditures which had been incurred in FY 2013

Ms. Plack, Audit Director for McGladrey LLP continued the presentation explaining how the test results were achieved and assuring that they were processed to assure compliance with University guidelines and that all contract and expenditure approvals were properly recorded. Mr. Bloom added that a report on the audit of substantially completed projects, (*\$148 million*), was performed along with issuing an agreed upon procedures report for FY 2013 expenditures of which the University incurred \$139 million. In addition, a report was issued to the University’s Board of Trustees and the Joint Audit and Compliance Committee. Additional controls with respect to Change Orders were implemented by University management, including the addition of Quality Control and Compliance Specialist, Coleen Schuh.

Committee member Urso asked if it was the University that brought the Change Order markup issue to the attention of McGladrey. Mr. Bloom responded no, stating that McGladrey had independently come up with similar conclusions. Committee member Urso questioned whether they had attempted to quantify the potential University exposure because of the found deficiencies? Mr. Bloom responded that they hadn’t preceded that far, as there was not a sample large enough to be able to determine what the overall risk would be.

Committee member Urso asked what benefits to the University might have been lost if the universe on the actual audit selections were limited. Mr. Bloom was unable to respond to that point, stating that after it was brought to the attention of the accounting

group and the Controller's Office, McGladrey performed their own review of the Change Orders and corroborated in terms of their selection on similar issues. Committee member Urso asked if the scope had been changed, questioning why nothing had been previous found in their three year engagement with the University. Mr. Bloom responded that prior construction projects selections did not reflect any exceptions. CM Urso asked if it was the same scope of review and Mr. Bloom responded that once exceptions were uncovered McGladrey expanded their task. CM Urso questioned if they had an opportunity to read the FY 2010-2011 public auditors report related to performing work prior to contract execution and they had not. Ms. Chiaputti advised the committee that the finding was specific to the research area and was not relevant to the construction area.

Chairman Ritter asked, when referring to "management's acceptance, "who specifically had the authority to accept and how was it accomplished to assure future compliance. Ms. Chiaputti responded that the University's Executive VP and CFO along with the University Master Planner & Chief Architect, reviewed and agreed upon the corrective action plan which is also reviewed and accepted by the Audit Committee Ms. Chiaputti added that the individual dollar amount relative to the exceptions were very small.

Chair Ritter introduced Ms. Cruickshank, University Master Planner & Chief Architect (PAES), and presenter for agenda ***Item No.4., Updates on Operational & Organizational Activities & Improvements.*** Ms. Cruickshank provided an update previously presented On August 6th to the CMOC Task Force relative to the Quality Control/Quality Assurance Program recently implemented by PAES. Currently, all Change Orders for construction managed under PAES at Regional campuses were being reviewed by QCQA. The final Change Order check list forms had been issued to all University Project Managers and are being utilized.

Quarterly reporting on all phases of Next Generation projects would be implemented by October 1st. Ms. Cruickshank updated the committee on several Contract Suites; Stem Residence Hall, construction phase, and Honor's Residence Hall, design phase, projects both utilizing a bridging architect.

Mr. Mathew Larson continued with ***Updates on Operational Activities & Improvements for Capital Projects & Contract Administration*** (CPCA). Mr. Larson briefly provided an overview to the committee of QAQC, the ongoing search for an Associate Director of CPCA, the upcoming September 18th Next Generation outreach event, Design Build policy update, On Call Architectural and Engineering statistics, proposed contractor prequalification methodology improvements and the feasibility of retainage percentages reductions.

Mr. Larson felt it was important to mention that there was an effort underway in support of Special Act No. 14-18 that established The Construction Contracting and Bidding Transparency Working Group, chaired by DAS Commissioner Donald DeFronzo. As the effort had progressed, updating key stakeholders within the University continued and CPCA would periodically provide updates to CMOC. Transparency in bidding is a central focus, specifically with subcontractor components of bid events. Key touch points of note included the expansion of the naming of prime subcontractors from the current four major packages, to potentially twenty within GC's and/or CM's construction delivery method bid submission processes and it was anticipated that something would come up during the next legislative session.

This potential change would have an impact in how the University evaluated and determined the different methodologies for construction delivery for capital projects. It also impacted the CM's and GC's flexibility in terms of how they submit, and may impact which projects they consider to submit on.

Additionally, another highlight of multiple discussions centered upon the State's sovereign immunity status and associated statute of limitations position. Mr. Larson believed that the University's General Counsel, Richard Orr, was aware as well, as this topic of interest has surfaced amongst other State agencies, stimulating joint discussions.

There had been discussion of the impact of this position, regarding the "attractiveness" of State construction and professional services (architectural and engineering) work within the committee itself and with various affinity groups and lobbyists. Again, these were two highlights that came out of those sessions where some legislative action may come into play or some push for the next session.

Chair Ritter asked if CPCA had found any contractors having difficulty getting bonds now that there was no statute of limitations or increased premiums on their bonds. Mr. Larson responded no, although, fundamentally bonding issues remained. Chair Ritter indicated he was pleased that processes review is underway with scheduled completion by the end of 2014, and thanked everyone involved in the CMOC task force for their participation.

The meeting continued with agenda ***Item No. 5 Status of Code Correction Projects (CCP)*** and agenda ***Item No. 6, June 30, 2014 Quarterly Construction Status Report***, by Brian Gore, Director of Project and Program Management, who provided a brief update notifying the committee that the program was fully funded and a schedule for completion was provided in the committee handouts. Mr. Gore also noted that South Campus was actively engaged in precast removal and a full time third party safety inspector was on site. Mr. Urso asked if the South Campus numbers were included in the CCP report. Mr. Gore responded that the project had not been identified as a "code

correction” but as a construction deficiency and would be reported in the upcoming September Quarterly Construction Report scheduled to be released in mid-October.

Chair Ritter introduced Thomas Trutter, UConn Health Associate Vice President for Campus Planning, Design and Construction, presenter of agenda *Item No. 7 Update of Current Construction Project Progress*, who provided a PowerPoint presentation update on BioScience Connecticut construction projects in planning, design and final stages. Mr. Trutter added that over 2630 workers had been on site having worked over 914,000 hours; with over 81% of all contracts awarded to Connecticut companies with 23% of the contracts being awarded to minority women, disadvantaged businesses exceeding the State 6¼% requirement. Veteran hiring at the Hospital Tower remained at 4%. Mr. Trutter also provided a detailed overview of risk management issues addressed through the construction program.

Jackson Labs has progressed significantly with opening ceremonies scheduled for September 7th with the Hospital Tower celebrating a steel top off ceremony on September 8th. Mr. Trutter concluded his presentation with an update on the Incubator Lab Addition bid, the Out Patient Pavilion, adding that the Academic Building, Hospital Tower and Clinic Building would require a return to the Board of Trustees for final budget approvals.

Mr. Fran Archambault questioned whether those projects had been approved by the Building & Grounds (B&G) Committee and the Board of Directors at the Health Center or was that planned for a future date? Mr. Trutter responded that they are not approved by B&G but would be going through the Finance Committee and the full board later in September.

Mr. Archambault then asked what would be required to bring the Academic Building schedule back on track. Mr. Trutter explained that they were on schedule with the original projection; but, were unable to meet the more aggressive schedule of this fall due to reconciling both the budget and scope of the project. The Outpatient Pavilion should have its Certificate of Occupancy (CO) and be occupied by mid December 2014; however, contingency plans are in place. The Main Building Lab Renovation projects approximately 3 months behind schedule; but the third phase will proceed 10 weeks earlier than originally anticipated. The Hospital Tower and Incubator Labs are both tracking on schedule.

Laura Cruickshank continued with the Storrs campus component of agenda *Item No. 7, Update of Current Construction Project Progress*, providing a brief overview of recently completed projects i.e. Basketball Champion Center, Student Union Quad, Gateway to Fine Arts, North Hillside Road, North Eagleville Infrastructure Repair, Main Water Line Replacement, Phase I. Ms. Cruickshank continued with an overview of

larger projects currently in the design phase; Engineering & Science Building, Innovation Partnership, Monteith, UConn Hartford, Putnam Refractories, Stem Residence Hall, Honors Residence Hall, Fine Arts Phase II, UConn Waterbury, Torrey Roof Replacement which are just a few of the 50 to 100 projects that are ongoing in PAES.

Mr. Archambault asked where specifically would the Honor's Residence Hall (HRH) be located on campus, and was informed that HRH would be completing the South Campus Quad, directly south of Mirror Lake, east side of Gilbert Road requiring the demolition of two of the "brown houses".

Student Trustee Michael Daniels asked if a pass through, allowing students to go through the building to Hale and Ellsworth, was being considered? Ms. Cruickshank assured him that it was considered and incorporated into the design. Mr. Daniels asked if a basketball and volleyball court was planned and was informed no, but perhaps another accommodation could be made.

Elizabeth Jockusch, BG&E Senate Representative asked why it appeared one piece of the Torrey Roof was being excluded from the project, specifically, the head house plus the extension that connects to Torrey. Ms. Cruickshank explained that the head house was being covered by a separate design team and could not be incorporated into the project.

Projects in planning include the Science Planning Study, Gant Renovation, Torrey Demolition, Master Plan Update, Traffic Model and Stem Residence Hall (SRH), with Ms. Cruickshank providing a 3D architectural animation of SRH. Mr. Patel asked if landscaping and all other infrastructure was included in the project. Mr. Cruickshank advised the committee that it was and that the project scope had been expanded as a lot of site work and restructuring of the hillside was required in the Garrigus Suites area.

Mr. Archambault asked what the status was on the Recreation Facility. Ms. Cruickshank responded that more work was required on the Master Plan; however, PAES was close to determining the location, phasing and costs which needed to be addressed before anything definitive, anticipated by the end of fall. Ms. Cruickshank added that the old football building would be demolished creating a new flat area for consideration, and no determination has presently been made on its use.

The meeting adjourned at 11:20 am.

Respectfully submitted,

Diane Cosma Marquis

Diane Cosma Marquis
Secretary to the Committee