



BOARD OF REGENTS

SUMMARY OF ITEM FOR ACTION, INFORMATION OR DISCUSSION

TOPIC: USM Building at the Southern Maryland Higher Education Center

COMMITTEE: Committee of the Whole

DATE OF COMMITTEE MEETING: November 1, 2013

SUMMARY: In 2010, the Southern Maryland Higher Education Center (SMHEC) determined that they needed to construct a third building on their campus to accommodate their anticipated enrollment growth. However, the needs of the region and the role of SMHEC have evolved in the past few years and the vision for the new building has changed. There is now a desire to address not only the needs for additional classroom and laboratory space, but also support the R & D needs of the nearby Patuxent River Naval Base complex by adding research and possible incubator space to this new building. Given this changing perspective on the needs of the Southern Maryland region, the Legislature set up a council, chaired by Regent Pat Florestano, charged with evaluating the academic needs of the region and issue a report by December 2013.

In the 2013 Legislative Session, the original \$950,000 in planning funds were canceled and \$1.5 million is to be provided to USM for the planning of a USM building on the SMHEC campus. The funds are contingent on the USM, SMHEC and the Navy Alliance signing an agreement for a USM building on the SMHEC campus.

The development of a modern education and research building owned and operated by USM would enable us to expand our activities at SMHEC and better serve the needs of Southern Maryland. A USM team is working with a team from the SMHEC on the terms of an agreement for the new building. The attached agreement is completed to meet the requirements of the Joint Chairman's Budget Language and allow for the release of the \$1.5 million in planning funds. This project was included in the USM Capital Improvement Program that has been adopted by the USM Board of Regents.

ALTERNATIVE(S): This is an information item.

FISCAL IMPACT: This is an information item at this point. The planning will determine the full cost of the project.

CHANCELLOR'S RECOMMENDATION: This is an information item.

COMMITTEE ACTION:

DATE:

BOARD ACTION:

DATE: November 1, 2013

SUBMITTED BY: Patrick J. Hogan, 301 445-1927, pjhogan@usmd.edu

Agreement On Terms For A New Building At The Southern Maryland Higher Education Center

This agreement is entered into in accordance with the Joint Chairmen's Report on the Capital Budget of 2013 by the Southern Maryland Higher Education Center (SMHEC), the Southern Maryland Navy Alliance (SMNA) and the University System of Maryland (USM) hereinafter referred to as the "Parties" for the purpose of establishing the terms under which the Parties will design, construct and manage a third educational facility (Facility) on the campus of the SMHEC and bring academic programs to meet educational needs of the region. Therefore the parties agree:

1. The Facility will be designed and constructed consistent with the findings of the Southern Maryland Higher Education Council Report (Report) conditioned on a 45-day review by the budget committees.
2. The facility program (Program) prepared by SMHEC and approved by the Department of Budget and Management (DBM) on December 1, 2011 will be amended for the purpose of providing for:
 - a. The requirements of the Report,
 - b. Changes in academic program demand and needs of stakeholders including laboratory and business incubator space,
 - c. Change in space size, type and configuration requirements since the previous program was approved,
 - d. Accommodating modifications associated with State agency review,
 - e. New and/or updated design, construction standards and energy and environmental considerations, and
 - f. Introducing the latest technologies for the delivery of educational programs and research
3. Any amendments to the Program will provide for the approximate 38,000 NASF of space as described in the approved Program prepared by SMHEC. Furthermore, all stakeholders will be included in the review process as the amended program is prepared. These stakeholders will include the SMHEC, SMNA and the USM. The amended program shall be prepared in order for a selected design consultant can provide a design solution that meets the needs of all stakeholders as well as a building that functions in an integrated and efficient manner. The program shall be amended in such a way as to minimize the time required for any further review and approval processes.
4. The USM will pay reasonable costs for the purpose of amending the Program.
5. The USM shall select one of the two USM Design and Construction Service Centers (Center) procurement offices for the purpose of preparing and issuing all related solicitation documents to engage consulting services to amend the facility program. A review and selection committee shall be established for the purpose of reviewing consultant proposals and shall be composed of 2 representatives selected by the SMHEC,

2 selected by the USM office, 2 selected by the Service Center and the procurement officer assigned to the project. The USM will be responsible for managing the consultant contract.

6. One of the Service Centers will be engaged to manage the design and construction of the Facility. To the extent that no funds are appropriated to the SMHEC through their capital or operating budget or other means for this specific purpose, the SMHEC shall not bear costs associated with the services provided by the selected Center.
7. The USM and SMHEC will enter into a written agreement with the selected Center for the purpose of establishing the terms and conditions under which services will be provided.
8. The Parties shall agree upon design review and user representation to the project in advance of the award of a design contract. A design solution shall be consistent with a DBM approved facility program unless program and/or design modifications become necessary that meet with the approval of DBM and the Parties.
9. The Parties shall jointly develop an equipment list to include both capital and operating equipment required in support of the Facility.
10. The Parties shall jointly develop an impact on operating budget for the Facility to be submitted by USM to DBM with subsequent capital budget funding requests.
11. The USM shall prepare and submit with its annual Capital Improvement Program to DBM requests for State supported funding to be appropriated to the USM, that may include G.O. Bond, PAYGO and/or operating budget sources, for designing, constructing and equipping the Facility.
12. The USM shall be responsible for the management of all funds appropriated for designing, constructing and equipping the Facility.
13. The USM shall enter into the appropriate agreement/s with the SMHEC for the purpose of providing the USM access to the property upon which the Facility will be constructed that might include a right of entry agreement, construction easement and/or ground lease. Access under such agreements shall be provided without the expectation of compensation. Terms of the conveyance of an interest in SMHEC held real property shall be consistent with the governing chapter of the Maryland Annotated Code, USM Real Property and Procedures and those laws, policies, and procedures that govern such a conveyance made by the SMHEC. Terms and conditions shall be established in the appropriated document/s as negotiated between SMHEC and the USM. That property to be conveyed shall be that buildable area necessary for the construction of a third educational building as determined during the building design process and specified in a metes and bounds survey and those documents necessary for the conveyance. Sufficient land shall also be provided on a temporary basis, if necessary, to provide appropriate staging area during the building construction period.

14. SMHEC and USM agree to negotiate a Memorandum of Understanding that includes a transition plan for a possible merger between the Parties that shall describe the goals and parameters such a merger and that establishes the roles and responsibilities of each Party in the design and construction of building three and the future operation and administration of the SMHEC. Until such time as the Parties formally agree to a merger, and the agreed upon transition plan is completed, and pursuant to the authority currently vested in the SMHEC Board of Governors, SMHEC will retain responsibility for the utilization of Classroom Buildings One and Two and originally planned classroom space in Building Three.
15. The mission and goals of SMHEC in service to the educational and community support needs of the diverse workforce and growing economy of the Southern Maryland Region will continue through the transitional period and following an eventual possible merger between SMHEC and USM.

For the Southern Maryland Higher Education Center

For the Southern Maryland Navy Alliance

For the University System of Maryland
