

TOPIC: Towson University: Increase Authorization for Recreation Building Phase 2 (Burdick Addition)

COMMITTEE: Finance

DATE OF COMMITTEE MEETING: November 7, 2016

SUMMARY: Towson University requests authorization to increase by \$1.6 million the total project cost from \$40,520,000 to \$42,120,000. The University will use its own funds for this increase.

Towson University recently received construction bids for the Recreation Building Phase 2. The bids have come in higher than estimated and have resulted in a projected increase of \$1.6 million to the current project budget. Although the construction cost estimates were reconciled with the current budget at the construction drawing phase through scope reductions and anticipated value engineering credits, several factors are attributable for the projected increase:

- **Utility conflicts:** The project structural design utilized 104 caissons. The large number of caissons on the relatively small site increased potential utility conflicts resulting in relocation of site utilities and in some cases the discovery and relocation of previously unknown utilities. (\$600,000)
- **Rock allowance:** Due to anticipated rock conflicts the project will exceed the original budgeted rock allowance. (\$200,000)
- **West Side Corridor:** While this work was not a requirement of the project, it provides connectivity to the lower and upper levels on the west side of the building which otherwise would require significant increased travel distance to get the same access. The corridor connector will also allow for better and safer fire egress for the building. (\$400,000)
- **Caisson drilling:** Currently, there is a conflict with the caisson contractor related to additional drilling claims. The University does not believe this is a legitimate expense but feels it necessary to carry this expense as project team goes through a long process to get resolution working with UMB Service Center and legal counsel. (\$400,000)

The University is therefore seeking authorization to use University funds to increase the project budget by \$1.6 million in order to replenish owner's contingency and maintain the current scope of work and schedule.

ALTERNATIVE(S): Throughout previous design phases the University has value engineered the project to reduce estimated cost wherever possible, while still fulfilling all of the essential program requirements. The project team believes that the current design delivers the project in the most cost effective and efficient way, consistent with the program goals and the University Master Plan. Reductions of the project scope at this point would yield less than full value credit returned from current bidders and would result in a final project that does not meet all program requirements. Rebidding the project at this point would significantly impact the project schedule and phasing, and would not necessarily result in lower costs.

FISCAL IMPACT: Towson University will use its own funds for this increase. The University currently has \$1.6 million of unused spending authority remaining from the Burdick Turf Field project and would seek to apply to this balance to the Recreation Phase 2 project.

CHANCELLOR'S RECOMMENDATION: That the Finance Committee recommend to the Board of Regents the approval of an increase in authorization of \$1.6 million for a total project cost of \$42,120,000 for the Recreation Building Phase 2 (Burdick Addition) at Towson University as described above.

COMMITTEE RECOMMENDATION:

DATE:

BOARD ACTION:

DATE:

SUBMITTED BY: Joseph F. Vivona (301) 445-1923
