AGENDA

A. Roll Call

B. Consideration of approval of minutes of September 13, 2013

C. Reports

1. Chancellor Robert E. Witt
2. UA President Judy Bonner
3. UA Faculty Rep to the Board Professor Steven K. Miller
4. UA Student Rep to the Board Mr. Jimmy Taylor III

D. Administrative Report

E. Academic Affairs, Student Affairs, and Planning Committee Report

1. Consideration of Resolution approving Establishment of a Center for the Study of Ethical Development at UA

2. Consideration of Resolution approving establishment of a Track in Structural Engineering within the Master of Engineering Degree at UAB

3. Consideration of Resolution approving establishment of a Track in Sustainable Smart Cities within the Master of Engineering Degree at UAB

4. Administrative Action Items

a. Consideration of Resolution approving Appointment of Nancy Stinnett as Instructor Emerita of Human Development and Family Studies in the College of Human Environmental Sciences at UA
Consideration of Resolution approving Conversion and Renaming of the Nephrology Research and Training Center Endowment to the Endowed Professorship in Nephrology Research at UAB

Consideration of Resolution approving Establishment of the James K. Kirklin, M.D., Endowed Lectureship in Cardiothoracic Surgical Sciences in the School of Medicine at UAB

F. Finance Committee Report

Consideration of Resolution approving FY 2014-2015 Request for State Appropriations for The University of Alabama System

Consideration of Resolution approving Proposed FY 2014-2015 Request for State Funds for Capital Improvements for The University of Alabama System

Consideration of Resolution authorizing UA to borrow money from the Intercollegiate Athletics Quasi-Endowment Fund for the Rowing Facility

4. Administrative Action Items

Consideration of Resolution approving closing a Cash Account at SunTrust Bank and authorizing individuals to transact business with approved Depositaries for UAB

Consideration of Resolution approving revised Signature Authority at UAB

Consideration of Resolution approving revised Signature Authority at UAHuntsville

G. Physical Properties Committee Report

1. UA System Item

Consideration of Resolution approving changes to Board Rule 415. Planning and Management of Facilities and Other Capital Assets
MINUTES OF THE NOVEMBER 7, 2013 MEETING
OF THE PHYSICAL PROPERTIES COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

The Physical Properties Committee of The Board of Trustees of The University of Alabama met in the Bryant Conference Center in Tuscaloosa on Thursday, November 7, 2013. Trustee Karen P. Brooks chaired the meeting. Michael A. Bownes served as Secretary.

On roll call, the following Committee members were present:

The Honorable Harris V. Morrissette, Trustee from the First Congressional District

The Honorable W. Davis Malone III, Trustee from the Second Congressional District

The Honorable James W. Wilson III, Trustee from the Third Congressional District

The Honorable Ronald W. Gray, Trustee from the Fifth Congressional District

The Honorable William Britt Sexton, Trustee from the Fifth Congressional District

The Honorable John D. Johns, Trustee from the Sixth Congressional District

The Honorable Andria Scott Hurst, Trustee from the Seventh Congressional District

The Honorable Karen P. Brooks, Trustee from the Seventh Congressional District

Other Trustees in attendance:

The Honorable Marietta M. Urquhart, Trustee from the First Congressional District

The Honorable Joseph C. Espy, III, Trustee from the Second Congressional District
The Honorable Kenneth L. Vandervoort, Trustee from the Third Congressional District

The Honorable Paul W. Bryant, Jr., President pro tempore, Trustee from the Fourth Congressional District

The Honorable Finis E. St. John IV, Trustee from the Fourth Congressional District

The Honorable Vanessa Leonard, Trustee from the Sixth Congressional District

The Honorable Judge John H. England, Jr., Trustee from the Seventh Congressional District

The meeting was also attended by Chancellor Robert E. Witt, Assistant Vice Chancellor for Construction Management Michael Rodgers, UA President Judy Bonner, UAB President Ray L. Watts, UAHuntsville President Robert A. Altenkirch, as well as support staff from the UA System Office, UA, UAB, UABHS, and UAHuntsville.

Vice Chancellor for System Relations Kellee Reinhart introduced the press: Ed Enoch and Dusty Compton, The Tuscaloosa News; Travis Leder and Yostina Banoueb, WVUA; and Melissa Brown, AL.com.

Chair Brooks called for a motion to approve the minutes of the September 12, 2013 meeting. On motion of Trustee Sexton, seconded by Trustee Wilson, the minutes were approved.

Chair Brooks called on Mike Rodgers, Assistant Vice Chancellor for Construction Management, to present the UA System Board Rule change.

Mr. Rodgers presented a Board Rule change for consideration, a resolution approving the proposed revisions to Board Rule 415 (Section III, Item E.1) and Attachment A (Section II, Item 11).

Chair Brooks called for a motion to approve the resolution. On motion of Trustee Malone, seconded by Trustee Gray, the item was approved.

RESOLUTION

BE IT RESOLVED by The Board of Trustees of The University of Alabama that it approves the revisions to Section III, Item E.1. of Board Rule 415, Planning and Management of Facilities and Other Capital Assets.
BE IT FURTHER RESOLVED that it approves the revisions to Section II, Item 11, Attachment A of Board Rule 415, Guidelines for Planning, Design, and Construction of Capital Projects Requiring Board Approval ($750,000 or more). (Exhibit A)

Chair Brooks called on Mike Lanier, UA Program Manager from Hoar Program Management, to present the UA construction and equipment items.

Mr. Lanier presented item one for consideration, a Stage IV resolution approving the revised project scope and budget and providing authorization to execute construction contracts to the future lowest responsible bidders on Package B “Fixed Furniture” for the Alpha Chi Omega Sorority House at UA.

Chair Brooks called for a motion to approve the resolution. On motion of Trustee Gray, seconded by Trustee Malone, the item was approved.

RESOLUTION

WHEREAS, in accordance with Board Rule 415, on September 14, 2012, The Board of Trustees of The University of Alabama (“Board”) approved the Stage I submittal for Alpha Chi Omega (“AXΩ”) to renovate its existing sorority house and construct an approximately 20,000 square feet addition at 801 Colonial Drive on the campus of The University of Alabama (“University”); and

WHEREAS, in accordance with Board Rule 415, on November 2, 2012, the Board approved the request of AXΩ to revise the Project scope to construct an approximately 40,000 gross square foot new sorority house (“Project”) at a revised budget of $12,031,525; and

WHEREAS, on November 2, 2012, based on the Project’s expedited schedule and the firm’s long history and experience with the University, the Board approved a waiver of the Consultant Selection Process and to proceed with design utilizing the architectural services of Ward Scott Veron Architects of Tuscaloosa, Alabama, accepting an architectural fee of approximately 5.9% of the cost of construction and demolition plus $30,000 for additional services plus $47,000 for reimbursable expenses; and
415. Planning and Management of Facilities and Other Capital Assets

I. Overview

The Board is responsible for the overall planning and management of the physical facilities on campuses of The University of Alabama System. The Board is committed to building, preserving, and enhancing campus physical facilities in order to provide an efficient, functional, and pleasant environment for fulfilling established roles and missions. The Board is further committed to developing campuses that reflect: efficient and effective land use; a thoughtful and sensitive integration of buildings, open space, landscaping, and signage; orderly utility and service networks; and safe and accessible vehicular/pedestrian systems. Finally, the Board is committed to accomplishing these activities in a manner which ensures that public funds are expended in the most cost-effective manner and funds received from these transactions are maximized.

A. Physical Properties Committee Responsibilities

The Committee is responsible for review and recommendations to the Board, actions associated with campus planning, project planning, design and construction and preservation of campus capital assets including, but not limited to:

- Review and approval of Campus Master Plans and associated architectural design standards for each campus
- Methodologies for selecting consulting architects, engineers, construction managers and program managers
- The means and methods of pre-qualifying and selecting general contractors, construction managers, and design-builders to oversee construction on each campus
- Project and construction budget controls and monitoring through the Chancellor’s office
- Review of the required ongoing evaluations by campus officials of architects/engineers, construction managers, and general contractors who are awarded contracts on each campus
- Review of criteria established by the Chancellor for annual funding commitments to reduce deferred maintenance liabilities on each campus
- Management of campus real estate resources
B. **Staff Support**

The Associate Vice Chancellor for Financial Affairs–Facilities and the Assistant Vice Chancellor for Financial Affairs–Construction Management shall provide staff support in conjunction with the implementation of Board Rule 415.

II. **Purpose**

The purpose of this Rule is to set forth policies, practices, and associated responsibilities for the planning and management of the System's capital assets. The Rule specifically provides for:

A. Campus master planning
B. Systematic planning for capital projects, purchase/lease of equipment, and real property acquisition/disposition
C. The establishment of an orderly process for the accomplishment of major capital projects
D. The selection and appointment of architects, engineers, construction managers, program managers, and other design and construction entities with primary contractual responsibilities for project delivery (See Board Rule 419 for requirements on selection and engagement of financial advisors, bond counsel, and bond underwriters.)
E. The delegation of responsibility for the management of existing capital assets

III. **Capital Asset Planning and Project Development**

The primary purpose of facilities planning is to determine and prioritize the resources required to support campus goals and objectives. Effective facilities planning is dependent upon and interacts with academic and financial planning. Within The University of Alabama System, the planning for capital assets shall include the following:

A. **Campus Master Plan**

A comprehensive Master Plan shall be developed and maintained for each campus. Each Master Plan shall define a system for land acquisition and utilization, building/site densities, architectural design standards, choice of building materials, parking and traffic studies to support pedestrian/vehicular circulation, utility systems, campus services, landscaping, and
signage, all consistent with campus long-range goals and project development.

1. Each campus shall have a duly appointed Campus Master Planning Committee with the responsibility for reviewing and recommending approval to the President of all additions and changes to the respective physical facilities of each campus.

2. Campus Master Plans shall be reviewed formally at least every five years and updated as needed on schedules established by the Chancellor’s office, and they shall be submitted to the Board for review and approval.

3. Amendments to approved Campus Master Plans shall be prepared when significant physical changes are proposed which include new projects, major changes in campus pedestrian and vehicular circulation, proposed changes in architectural design standards, and other changes which will substantially impact the exterior appearance of the campus. These amendments shall be prepared and submitted to the Board for approval.

B. Five-Year Facilities Development Plan

Consistent with the Campus Master Plan, each campus shall prepare annually for presentation at the September Board meeting a Facilities Development Plan projecting, for a minimum five-year time period, space requirements to support campus academic and administrative programs. Information required in this Plan shall include a description of the project, estimated date(s) for development, estimated cost and source of funds, and the priority for each project based on documented academic or facility needs. The format for this report shall be established by the Chancellor’s office. Copies of the Facilities Development Plan shall be presented to the Academic Affairs and Planning Committee and the Physical Properties Committee of the Board for review, comment, and information purposes. This program shall serve as a basis for the Annual Capital Development Plan.
C. **Annual Capital Development Plan**

A Capital Development Plan shall be prepared by each campus annually and presented to the Board at the September meeting. The Plan shall list all capital projects which meet the criteria established in Section III. E. 1. of this Board Rule and which are anticipated to be submitted to the Board for action or information during the fiscal year which begins October 1. These projects should be presented in the context of the campus’ annual planning and budgeting process, and each campus should outline how these projects relate to and enhance the University’s programs. Additional information should include: a brief description of the project’s scope; preliminary cost estimates for construction/acquisition; projected annual cost for operations and maintenance of the planned space; and anticipated funding sources for the initial capital outlay and the ongoing operating costs, to be reported on forms to be developed by the Associate Vice Chancellor for Financial Affairs-Facilities and the Assistant Vice Chancellor for Financial Affairs-Construction Management. The Annual Capital Development Plan will be accompanied by a long-term capital financing report showing current long-term debt and additional liabilities (long-term debt requirements) for proposed new projects. A report showing the current status of deferred maintenance and facilities renewal liabilities on campus shall also be presented.

The Annual Capital Development Plan shall be subdivided into project categories including, but not limited to, education and general, real estate, auxiliary, infrastructure, equipment and athletics. The format for this report shall be established by the Chancellor’s office.

The Annual Capital Development Plan shall be submitted concurrently to the Academic Affairs and Planning Committee, the Physical Properties Committee, and the Finance Committee. The Academic Affairs and Planning Committee will review proposed projects to determine if they are consistent with campus mission statements and long-term academic program planning needs, and whether the proposed projects duplicate existing facilities. The Physical Properties Committee will review proposed projects in terms of: general conformance with the Campus Master Plan; review of project scope, campus priority and impact on reducing deferred maintenance/facility renewal
liabilities; the appropriateness of proposed construction costs (per building square foot); and projected annual and five-year operations and maintenance costs for the planned space. The Finance Committee will review the long-term debt structure of each campus in conjunction with the proposed Annual Capital Development Plan and determine if the funding proposed for projects in the Annual Capital Development Plan is consistent with prudent financial planning and within the financial capabilities of each campus.

The inclusion of projects in the Annual Capital Development Plan shall constitute a Stage I Submittal to the Board for review and approval.

D. Annual Capital Request to the Legislature

The Annual Capital Request to the Legislature shall be submitted according to the Guidelines issued by the Chancellor for annual appropriations requests to the Legislature.

E. Guidelines for Project Development and Implementation

1. Each capital project that involves the construction, demolition, or renovation of University facilities which has a total estimated cost equal to or greater than $750,000 shall be planned, designed, and constructed in accordance with Attachment A regardless of the funding source. In addition, for auxiliary projects, a business plan shall be prepared in the format outlined in Attachment G. For those capital projects associated with the Hospital, the review process shall include a Business Plan in the format outlined in Attachment F. All other capital projects shall require business plans in the format outlined in Attachment L.

2. Generally, capital projects with estimated costs of less than $750,000 may be undertaken and associated contracts executed without Board approval. However, all capital projects (regardless of cost) which substantially impact the visual appearance of the campus(es) or that involve historically significant or otherwise notable structures, as determined by the Chancellor or designee, are to be presented to the Board for review and approval.
3. Purchases or leases of individual items of equipment equal to $500,000 or more shall be submitted to the Board for approval in accordance with Attachment C. Related equipment purchases or leases shall not be subdivided into separate actions or purchase orders of less than $500,000 to avoid required Board consideration of such equipment purchases.

4. Equipment purchases or leases included in Capital Construction Projects which have Board approval shall not require separate Board action. Also, purchases or leases of equipment which are funded entirely by grant or contract shall not require Board approval if both of the following criteria are met:
   a. The capital expenditure or value of the leased equipment is less than $1 million; and
   b. At least 75% of the operational cost associated with the equipment will be paid by the grant or contract over the estimated useful life of the asset.

5. All proposed real property acquisitions or dispositions shall be submitted to the Board for approval in accordance with Attachment D.

F. Designation of Agent for Each Campus to Make Determination of Disposition or Lease of Real Property

The Board will approve by resolution for each campus, and for the System Office, an agent who will function as designated in Attachments D and E.

IV. Facilities Management

The management of campus facilities includes the administration, operation, maintenance, and repair of existing facilities. Responsibility for these activities is delegated to each campus President.

Campuses will present Annual Reports to the Board on deferred maintenance/facilities renewal liabilities and building operations and maintenance (O&M costs). The Chancellor’s office shall establish
thresholds for funding commitments on an annual basis to reduce the level of deferred maintenance/facilities renewal liabilities. These reductions shall be made either through individual project(s) specifically dedicated to the removal of such liabilities, or through inclusion in major renovation projects or in conjunction with proposed building additions.

GUIDELINES
FOR PLANNING, DESIGN, AND CONSTRUCTION
OF CAPITAL PROJECTS REQUIRING BOARD APPROVAL
($750,000 OR MORE)

I. Prerequisite

Projects that have been included in an approved Campus Master Plan, Master Plan Amendment, Five-Year Facilities Development Plan or Annual Capital Development Plan have already fulfilled the requirements for a Stage I approval, as described in Step 1 below.

II. Planning of Project, Appointment of Architect/Engineer, and Approval of Budget

1. New projects (those which have not been presented to the Board) shall be presented as Stage I Submittal to the Board prior to the selection of architects/engineers. A pre-planning program statement, a pre-planning budget estimate, and other project information shall be presented on forms to be developed by the Associate Vice Chancellor for Financial Affairs-Facilities and the Assistant Vice Chancellor for Financial Affairs-Construction Management. This is an action item for the Board.

2. In certain cases the campus administration may need the services of a design professional (Architect/Engineer [A/E]) to assist in the preparation of a program document along with schematic and/or preliminary plans (leading to a cost estimate) prior to making the decision as to whether to present the project and preliminary budget to the Board for approval. Employment of these professional services by campus administration is permissible without Board approval.

3. Submit proposed Facilities Program information in format established by the Chancellor’s office to the Assistant Vice Chancellor for Financial Affairs-Construction Management for review and approval before initiation of project design.

4. Select the A/E, Construction Manager (CM), or Program Manager (PM) in accordance with Attachment B, “Selection and Approval of Architects and Engineers”. Architect/Engineer Agreements on capital projects involving University facilities that require Board of Trustee approval must be between the Architect/Engineer and the University regardless of the project’s funding source.
5. Seek formal approval of A/E, Construction Manager (CM) or Program Manager (PM) from Board. Provide preliminary budget and sources of funding. (Stage II Submittal)

This is an action item for the Board.

6. Prepare and execute A/E agreement and CM/PM Agreements. All A/E agreements and construction contracts shall be prepared in accordance with established professional standards such as the American Institute of Architects, the Alabama Building Commission, or other generally recognized construction standards. Any standards used should recognize the tax-exempt status of the Board and the ultimate authority of the Board.

7. In collaboration with A/E, develop schematic design, secure approval from all applicable review and regulatory agencies, and prepare schematic design budget. Proceed with preliminary design and budget development. The exterior design of each project shall be in accordance with the architectural design standards included in approved Campus Master Plans. The Board must concur with the architectural design of a project before initiation of final construction documents and specifications. (Stage III Submittal)

This is an action item for the Board.

IMPORTANT: All capital construction projects which will substantially affect the visual appearance of the campus (such as new construction, major building additions, exterior renovations, etc.) must be presented for review and approval to the Board with realistic renderings and/or models prior to Step 8. Renderings and models are not required for interior renovations (of existing facilities), which fall within this category. In addition, information regarding line-of-sight impact, scale and massing of new construction as it relates to existing buildings in the immediate area of the new construction shall be presented to the Board prior to Step 8.


9. In accordance with the provisions of Title 39-Code of Alabama, general contractors, construction managers, and design-build firms shall be pre-qualified to submit competitive proposals on capital projects.

10. In collaboration with A/E, prepare final budget, advertise project, receive construction bids. Normally the contingency allowance should not exceed a maximum of 5% of construction cost for new projects and 10% of construction costs for renovation projects.

Attachment A to Board Rule 415
11. Recommend award of contract to Board. Provide summary of bid tabulations, sources of funding, and qualification statements of the successful bidder. (Stage IV Submittal)

This is an action item for the Board.

**IMPORTANT:** Construction contracts on Capital projects involving interior renovations (of existing facilities) may be awarded without Board approval under the following conditions:

a. The estimated Total Project Budget is $10 million or less.
b. The Project has received Stage I and Stage II approval from the Board of Trustees.
c. The Project is advertised and bid according to the requirements and stipulations of Title 39 of The Code of Alabama 1975.
d. The Assistant Vice Chancellor for Construction Management reviews the proposed contract award with the Chair of the Physical Properties Committee who provides authorization to award.
e. The Assistant Vice Chancellor for Construction Management prepares a report for inclusion in the Physical Properties Committee meeting agenda summarizing the applicable project activity for the period.

If requested by a campus and approved by Board Resolution, a campus may award trade contracts on construction management (multi-phase) projects without specific Board approval under the following conditions:

a. Each campus submits, prior to the receipt of bids, detailed quantitative budget estimates for each trade contract.
b. The cumulative bid totals are equal to or less than the above-referenced trade contract estimates.
c. The campuses provide ongoing reports to the Chancellor’s office on awarded trade contracts.
d. Budget overruns shall not occur without specific Board approval.

12. Prepare and execute construction contract(s).

13. Issue Notice to Proceed. Administer construction contract, approve contract change orders in accordance with Attachment J, “Contract Change Order Procedures” within a maximum contingency allowance of 5% of construction costs for new projects and 10% of construction costs for renovation projects. Increases to the total project budget must be presented to the Board for approval.

14. Accept project.

15. Disburse final payment to contractor.

Attachment A to Board Rule 415

17. At the conclusion of each project, each campus shall prepare a formal review of the design professionals’ performance on issues such as timeliness, cost overruns, quality of service, etc., in a format as directed by the Chancellor’s office. In addition, each campus shall prepare a formal review of each construction professional’s performance on issues such as project coordination, change orders, time delays, maintaining critical schedules, etc., in a format as directed by the Chancellor’s office.

18. The Chancellor’s office shall maintain data base evaluations from each campus reflecting the performance appraisals for design and construction professionals, and this data base shall be made available to all campuses to be used in the selection of design and construction professionals and pre-qualifying general contractors, construction managers, and design-build firms.

Attachment A to Board Rule 415