IOWA STATE UNIVERSITY REQUEST FOR EMERGENCY CONTRACTING AUTHORIZATION

Action Requested: Consider recommending to the Board ratification of the Executive Director’s actions related to the utilization of capital project delivery and purchasing processes as described in this memorandum and attachments to restore the Power Plant to its pre-incident condition to protect the building and its contents and ensure continuity of function.

Executive Summary: On August 7, 2016, a demolition contractor was using a crane to remove sections of an abandoned smoke stack at the Power Plant. During this work, one section of the stack dropped onto the roof of the Power Plant Chiller Room, damaging the roof and a portion of the roof support structure. There were no personnel injuries but minor damage to some chiller room equipment occurred. All systems continued to operate. An investigation into the cause of the accident is underway and damage assessment is ongoing.

On August 9, 2016, Executive Director Donley received a letter from Iowa State University Senior Vice President for University Services, Kate Gregory, requesting authorization to utilize identified capital project delivery and purchasing processes to restore the Power Plant to its pre-incident condition to protect the building and its contents and ensure continuity of function. (See Attachment A.) Executive Director Donley made a finding of the need to institute emergency procedures under Iowa Code subsection 262.34.2 (see “Background” below) and authorized the use of the requested capital project and purchasing processes. (See Attachment B.) The Committee is asked to recommend to the Board ratification of the Executive Director’s actions.

Background: In 2009, the following subsection (subsection 2) was added to Iowa Code 262.34.

“Notwithstanding subsection 1 [competitive bidding requirements], when a delay in undertaking a repair, restoration, or reconstruction of a public improvement might cause serious loss or injury at an institution under the control of the state board of regents, the executive director of the board, or the board, shall make a finding of the need to institute emergency procedures under this subsection. The board by separate action shall approve the emergency procedures to be employed.”
Robert Donley  
Executive Director  
Board of Regents, State of Iowa  
11260 Aurora Avenue  
Urbandale, IA 50322

SUBJECT: Utilities – Power Plant – Chiller Room Roof Restoration

Dear Mr. Donley:

Iowa State University seeks immediate temporary emergency-based authorizations and waivers to several capital and procurement processes to allow it to deliver critically needed structural, roof and equipment repairs at the Power Plant in an expedited time frame.

On August 7, 2016 a demolition contractor was using a crane to remove sections of an abandoned smoke stack at the Power Plant. During a crane lift, one section of stack dropped onto the roof of the Power Plant Chiller Room, damaging the roof and a portion of the roof support structure. There was minor damage to some chiller room equipment but no personnel injuries, and all systems continued to operate. An investigation into the cause of the accident is underway and damage assessment is ongoing.

This portion of the Power Plant needs to be restored to pre-incident conditions as soon as possible in order to protect the building and its contents and ensure continuity of function.

The recovery of the building can be significantly accelerated by use of the project delivery and purchasing methods proposed below. These delivery methods require ISU Administrative endorsement and Board of Regents Authorization. Additionally, the proposed delivery method will need to be reviewed and coordinated with the insurance requirements as they are known to assure that any recovery of costs is not jeopardized.

Restoring the facility to protect the building and its contents is critical. Because of the urgency of the work and ongoing damage assessment, the scope of the project cannot be fully defined and construction documents cannot be produced for bid before the construction must start. To accomplish the work to restore the building enclosure and complete any other associated critical work, the university proposes to make direct awards to contractors who have experience on campus, are familiar with campus standards and processes, and have the capacity to begin this work immediately. Plans and specifications can be minimized for this work and replaced by basic scope statement, marked archival drawings, and contractor walk-throughs of affected spaces. Pricing for this work will be negotiated with the contractors performing the work. Most or all of these contracts are anticipated to cost less than $100,000.
Competitive purchasing processes or the use of time and material and other services contracts that are in place will be utilized for less critical work items. Work to assess and repair the Power Plant equipment is being accomplished primarily by university facilities staff augmented by vendors when needed.

Competitive bidding or normal quotation processes may need to be waived or modified in order to resume plant operations and to clean, recondition or replace supplies, materials and equipment to meet teaching and research schedules.

We will keep the Board Office apprised of the firms selected and construction contract awards and procurement processes.

Sincerely,

Kate Gregory
Senior Vice President for University Services
August 15, 2016

Katherine Gregory
Senior Vice President for University Services
Iowa State University
2750 Beardshear
Ames, IA 50011-2038

Dear Kate:

I am in receipt of your letter of August 9, 2016, detailing the University's request to utilize the capital project delivery and purchasing processes as outlined in your letter to restore the roof, roof support structure and equipment of the Power Plant Chiller Room to its pre-incident conditions as soon as possible in order to protect the building and its contents and ensure continuity of function.

Under the provisions of Iowa Code 262.34, I make a finding of the need to institute emergency procedures for the repair, restoration, reconstruction and re-equipping, as needed, of the Power Plant Chiller Room.

It is understood that the procedures outlined in your letter are subject to Board ratification and the request for this ratification will be included on the agenda for the September 2016 Board meeting.

Sincerely,

Robert Donley