

Contact: John Nash

**REGISTER OF UNIVERSITY OF NORTHERN IOWA
CAPITAL IMPROVEMENT BUSINESS TRANSACTIONS**

Actions Requested: Recommend the Board approve the:

1. Use of Construction Manager at Risk delivery method for the **Industrial Technology Center Modernization** project, currently in the process of selecting a design professional.

Executive Summary: The University may ultimately go with the traditional Design-Bid-Build project delivery method for this project. However, while they are currently in the process of selecting a design professional, they would like the option to use the Construction Manager at Risk project delivery method, should it be a better use of funds, produce an improved schedule, yield a higher quality facility, implement better construction and result in fewer change orders.

Project Summary

| | Amount | Date | Board Action |
|--|---------------|------------------|------------------|
| State Appropriations | \$ 1,000,000 | May 2019 | Not Required |
| Permission to Proceed with Project Planning | | Nov. 2019 | Approved |
| State Appropriations | \$ 39,500,000 | Jun. 2020 | Not Required |
| Use of Construction Manager at Risk Delivery Method | | Sep. 2020 | Requested |

Source of Funds

| Fiscal Year | Appropriations | Gifts | Totals |
|-------------|----------------|--------------|---------------|
| FY 2021 | \$ 1,000,000* | | \$ 1,000,000 |
| FY 2022 | 13,000,000** | | 13,000,000 |
| FY 2023 | 18,000,000** | \$ 2,138,000 | 20,138,000 |
| FY 2024 | 8,500,000** | 2,138,000 | 10,638,000 |
| Totals | \$ 40,500,000 | \$ 4,276,000 | \$ 44,776,000 |

* \$ 1 million appropriated by the 2019 General Assembly
* \$39.5 million appropriated by the 2020 General Assembly

Background: Like the traditional Design-Bid-Build project delivery method, which solely utilizes competitive bidding to select a contractor, the Construction Manager at Risk (CMR) uses competitive bidding in the form of a cost proposal. It also involves a competitive selection process to vet contractor qualifications and experience in order to retain a CMR that is the best fit for the Industrial Technology Center Modernization.

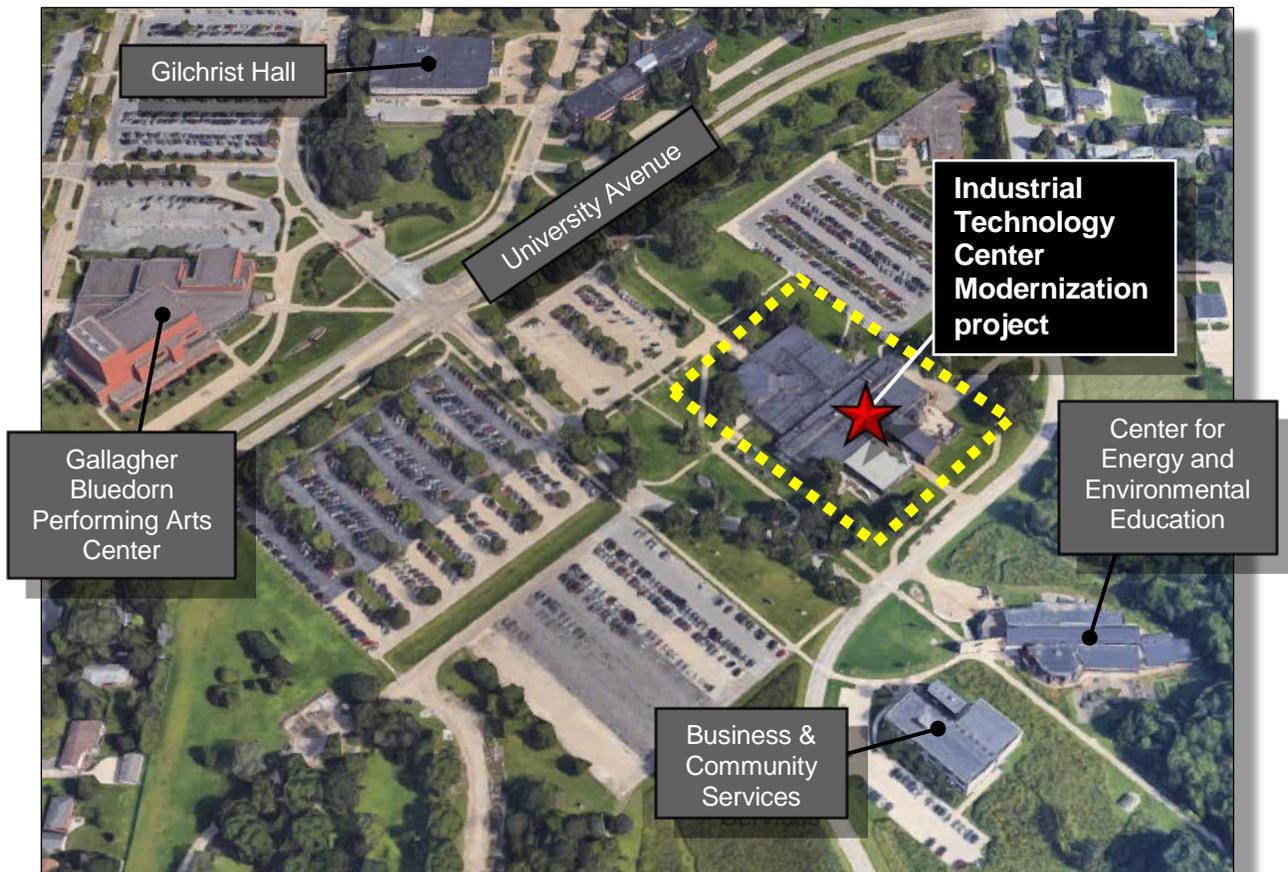
The CMR is a general contractor, who enters into subcontracts with trade contractors to perform the work, but also has the ability to do construction themselves, and usually do. The CMR also provides pre-construction services and shares their expertise on constructability, cost, schedule, value-engineering, local contractors and trends in construction throughout the project. Important in this project is maintaining operations of the labs through careful construction phasing, and

matching funding cash flow with project payments as capital appropriations have been known to be adjusted.

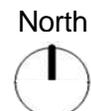
Regarding the “at-Risk” part of the CMR title, CMRs have a contractually bound, at-risk financial obligation to deliver the project within a Guaranteed Maximum Price (GMP) and on schedule. If the project is delivered to the University below the GMP, cost savings go to the University.

Since 2014, there have been seven CMR projects. Three are complete. One is under construction. Three are in the planning phase, including the Industrial Technology Center Modernization (ITC) project.

The ITC project would demolish 12,000 square feet or 18% of the existing 64,000 square foot facility, renovate the remaining 52,000 square feet and build a new 48,000 square foot addition. It would greatly enhance UNI’s ability to prepare teachers in STEM disciplines and to educate over 500 students in the fields of Construction Management (where CMR is taught), Electrical Engineering Technology, Graphic Technologies, Manufacturing Technology, Technology Education, Technology Management and Graduate Programs.



UNI's campus, southeast side



Three advantages of Construction Manager at Risk (CMR) over the traditional Design-Bid-Build delivery method:

- 1) **Budget:** Engaging the CMR during the design phase can provide important insight into the project's constructability, minimizing change orders and saving money. The CMR would evaluate construction costs earlier than the traditional method, and provide important input into construction methods and proposed materials, leading to a better project. The CMR's substantial knowledge of long lead items and hard-to-get materials, particularly during the COVID-19 pandemic, may help to maintain schedule by offering other material options and construction techniques. All of these values would improve the budget through cost savings, while maintaining UNI's construction standards.
- 2) **Complexity:** The programs and classes held within the facility are complex and multifaceted. Some classes, such as lectures and computer-based classes, may need to be relocated to other buildings during construction. In contrast, the foundry and shops classes have large and specialized equipment that cannot be moved. Throughout construction, this equipment needs to remain operational for classes, driving the requirement for phasing and staging the construction activities. The CMR's vast experience in construction phasing could help navigate this toward a more seamless and successful project.
- 3) **Schedule:** With the funds appropriated over four years (FY 2021 – FY 2024), it is important to have a good team engaged early on in the decision making process. Engaging the CMR during the design phase provides the best information to the design professional and owner on how to approach, phase and build the project, while keeping various parts of the facility operational during construction. This can best be coordinated in the design process through collaboration between the design professional, CMR and the owner. Interruptions to building operations would have a significant impact to students, faculty, staff and the educational experience.