Wyoming Community College Commission

Commission Meeting Packet
September 21, 2018
WYOMING COMMUNITY COLLEGE COMMISSION
SPECIAL MEETING AND WORKSHOP AGENDA
SEPTEMBER 21, 2018
Casper College

THE STATUTES OF WYOMING REQUIRE THAT ALL MEETINGS OF PUBLIC BODIES BE OPEN TO
THE PUBLIC, EXCEPT IN SPECIFIC CIRCUMSTANCES, AND THE WYOMING COMMUNITY
COLLEGE COMMISSION FULLY SUPPORTS THAT MANDATE

Dial-In phone number: 888-571-1315 PIN: 27468

ACTION AND REPORT AGENDA ITEMS FOR DISCUSSION (ACTION ITEMS IN BOLD)

8:30 a.m. CALL TO ORDER
ROLL CALL
INTRODUCTIONS
APPROVAL OF THE AGENDA

A. CONSENT AGENDA
   [All items on the Consent Agenda will be considered together and incorporate the
   respective actions recommended for each item. A commissioner may have any item
   removed from the Consent Agenda and placed on the Regular Agenda.]
   • No items for special meeting

B. ACTION AGENDA ITEM
   a. Prioritized approvals:
      i. NWCCD: Culinary Arts TAB 1
      ii. CWC Agriculture TAB 2
   b. Inclusion of Annual Escalation Factor for prior approved CapCon Projects TAB 3

ADJOURNMENT

September 21, 2018
Workshop

9:15 a.m. CALL TO ORDER
CONVENE WORK SESSION

ADJOURN WORK SESSION no later than 4 pm.
August 23, 2018

Dr. Sandra Caldwell  
Executive Director  
Wyoming Community College Commission  
2300 Capitol Avenue, 5th Floor, Suite B  
Cheyenne, WY 82002  

Dear Dr. Caldwell:

Earlier this month, the Wyoming Community College Commission approved a capital construction request from the Northern Wyoming Community College District for the remodel and expansion of the Culinary Arts building at Sheridan College.

The original construction budget was $3,206,250.00. Unfortunately, we made some errors in our submission, including neglecting to include the full amount for the acquisition and installation of fixed equipment, which is a significant part of this project. We have used a contractor to refine the entire budget; the updated construction budget is $4,156,160.00, an increase of $949,910.00. The scope of the project has not changed since the original approval. We are still requesting 50% State funding ($2,078,080.00) and 50% private funding ($2,078,080.00).

Dave Webb, from State Construction Management, plans to update the capital construction budget request submitted to this updated amount, and advised us to submit a letter to the WCCC.

It is our understanding that Wyoming Statute 21-18-202(d)(v)(C) requires additional approval by the WCCC if the increase in square footage or the increase in construction costs have increased the total cost of an approved project beyond a 10% cost threshold. On behalf of NWCCD, I respectfully ask the Commission’s consideration of approving the request for increased cost authorization for the Culinary Arts building.

We sincerely apologize for our error and that we did not find this sooner. Thank you for your consideration of our request and please let me know if you have any questions.

Sincerely,

Paul R. Young, Ph.D.  
President

Cc: Larry Buchholz  
Dave Webb
### SHERIDAN COLLEGE Culinary Arts Renovation and Expansion

**A. Land & Fees**

2. System Dev Fee/ Util Exten.  
   0 @ $ - = $ -

**B. Construction**

1. New building construction  
   6,800 sf @ $  280.00  
   2. Remodel space  
   3,200 sf @ $  225.00  
   3. Site and landscape
   sf @

   11 Contingency  $ -  5.0%  
   Subtotal Construction Costs $ 3,477,000

**C. Architect Engineer Fees & Expenses**

1. remodel general 10.0%  
   2. new 8.0%  
   3. FFE 8.0%  
   4. Travel & Printing Exp  
   Subtotal A/E Fees & Expenses $ 304,160

**D. Phase 5 - Equipment & Furnishings**

1. Furniture  
   10,000 sf @ $  12.50  
   $  125,000  
   2. IT Equipment(labs, class, offices)  
   10,000 sf @ $  20.00  
   $  200,000  
   3. Equipment  
   10,000 sf @ $  50.00  
   Subtotal Equip. & Furnishings $ 325,000

**E. Miscellaneous Expenses**

1. Soils Investigation/Survey  
   $  5,000  
   2. Testing  
   $  25,000  
   4. Owner's reviews and legal, finance  
   $  5,000  
   5. Commissioning  
   $  15,000  
   Subtotal Misc. Expenses $ 60,000

**F. Subtotal Project Cost**  $ 4,156,160

**TOTAL PROJECT COST**  $ 4,156,160
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Subtotal: 2,862,477.00

Fees: Impact Fees: 2.80%
Fees: Building Permit < 100K: 0.25%
Insurance: Builder's Risk: 0.50%
Insurance: Subcontractor: 0.75%
Insurance: General Liability: 15.00%
Bond: Payment & Performance: 0.25%
Margin: GC on bid: 0.50%

Estimate Total: 3,477,369.00
September 6, 2018

Dr. Sandra Caldwell  
Executive Director  
Wyoming Community College Commission  
2300 Capitol Avenue, 5th Floor, Suite B  
Cheyenne, WY 82002

Dear Dr. Caldwell:

During the 2015 Legislative session, the Legislature approved a request for $8,000,000 from the Fremont County Community College District (CWC) for the construction of a new Ag & Animal Science Center. Additionally, the Legislature approved an appropriation of $325,000 to fund a Level II design, which was completed at the end of 2016.

During the 2016 Legislative session, the project amount was increased and approved by the Legislature for $10.5 million, with CWC and the State each providing half of the cost. While certainly not intentional, this project was never approved by the Wyoming Community College Commission from the beginning.

The original Level I plan was estimated at $10,500,000 back in 2015. The updated construction budget is $18,353,584, an increase of 75%. The reasons for this magnitude of an increase are:

1) Our original cost per square foot estimates have been refined due to the escalation of construction and other project costs (the tariff and trade wars have caused great uncertainty within the construction industry) since this building was approved.
2) We have worked with Dave Webb from the Construction Management Division and used their financial model to better estimate construction and related costs.
3) We added a 5% per year inflation escalation, a 5% construction contingency, and a 15% design/bid contingency (total of $3.5 million).
4) Historically, the original concept of this facility was to replace the aging CWC Equine Center therefore the Level I and Level II work focused on equine needs and thus much of the Ag aspect of this project was inadvertently overlooked. To meet the original Level I and II Ag scope of this project, an Animal Science/Meats space has now been included to the floor plan while keeping within the original footprint size of the building. The CWC Ag curriculum will require all majors to take an animal science/meats course as part of the core, so no new programs need to be approved for this facility enhancement. Only existing certificates and degrees are altered. This focus on meats at CWC throughout the curriculum follows the State’s ENDOW and other initiatives to support more local meat...
processing to capture value-added revenues and jobs. Currently, CWC and local leaders have a draft plan for a new USDA slaughter facility. Also, CWC has a USDA-inspected Jerky producer in its business park.

It is important to note that the original square footage as defined in the Level II study has not increased. We will further refine our cost estimate during Level III design and would not expect the cost to increase any further.

These increased costs will be included as a supplemental budget request for the state construction department and as such will be reviewed and approved by the state building commission, the governor, and the 2019 legislature.

Under Wyoming Statute 21-18-202 (d) (v) (C), if the increase in square footage and the increase in construction costs have increased the total cost of an approved project beyond a 10% cost threshold, it requires additional approval by the WCCC. On behalf of CWC, I respectfully ask the Commission's consideration of approving the request for official approval and increased cost authorization for the Ag & Animal Science Center.

We appreciate your consideration for this needed project.

Sincerely,

Brad Tyndall, Ph.D.
President
MEMO

To: WCCC Commissioners
From: Dr. Sandy Caldwell, Executive Director WCCC
CC: Mel Muldrow, Administrator, State Construction Dept, Construction Management Div
Date: September 11, 2018 per August 29, 2018 agreement
Re: Level I/Level II Prior Approved CapCon Projects Costs Annual Escalation Factor

Recent activity regarding Level I and Level II CapCon projects including the process of increasing estimated costs during the planning phase resulted in the need to incorporate an annual escalation factor for prior approved projects. W.S. 21-18-202(v. C) states that the commission must reapprove/authorize previously approved and uncompleted new CapCon projects which have increased in total cost by 10% or more since cost estimates were developed at the time of initial project approval. Given capital projects are often on hold for multiple years during fundraising, approved projects often exceed the anticipated amount by more than 10% based solely on escalation of costs due to construction costs. State Construction Department recognized that incorporating an annual escalation factor for prior approved projects would allow for better planning in a year-over-year basis. As such, State Construction Department has agreed to provide an annual cost of construction escalation factor by April of each year. This would allow an updated estimated costs basis for the colleges during the fundraising period and will ensure that the WCCC is aware of anticipated capital construction costs in the coming years.

In consultation between WCCC staff and State Construction Department, two specific types of projects are directly impacted: 1. Level I Projects that are approved by the WCCC, but are more than one year post-approval, and 2. Level II projects with costs of construction created during the formation of an actual project that have passed two years of post-project development.

1. Level I:
   a. Level I projects are the prioritized projects with an initial cost estimate that is given to State Building Commission. The Level I estimate is well understood to be an estimate that will come to a hard construction cost during the Level II phase when the formation of an actual project occurs.
   b. If a Level I project has not been adjusted year-over-year to accommodate annual escalation of construction costs including those exceeding the 10% requirement, the Level II cost estimate may be significantly increased creating a large variance between initial project costs and actual project costs.
Neither the WCCC nor SBC have initiated an annual escalation factor for Level I in the past. The practice of incorporating an escalation factor for increased building costs for projects is a commonly used best practice in state facility planning and construction. Additionally, the statutes related to W.S. 21-18-202(v. C) clearly states that the commission must reapprove/authorize previously approved and uncompleted new CapCon projects which have increased in total cost by 10% or more since cost estimates were developed at the time of initial project approval.

As a result, State Construction Department has agreed to provide the WCCC with an annual escalation factor by end of April of each year to adjust approved project estimates that are required to be submitted to SBC per W.S. 18-21-205(g).

2. Level II:

a. Once a Level I escalation factor for increased costs is implemented on an annual basis, the occurrence of the Level II costs being significantly above the 10% approval requirement should theoretically be reduced. Nonetheless, the Level II cost estimate also would automatically result in an adjustment for the WCCC for any amount in excess of 10%. Additionally, State Building Commission includes a 5% per year for two years cost escalation for all Level II projects. State Construction Department has agreed to provide an annual escalation factor for the Level II projects after the two-year period that have not moved forward to Level III.

In summary, State Construction Department will provide to WCCC an annual escalation factor every April for prior approved Level I projects and Level II projects to ensure that prior WCCC approved projects maintain a current and relevant cost estimate. This agreement occurred on August 29, 2018, per Mel Muldrow, Administrator, State Construction Department, Construction Management Division.