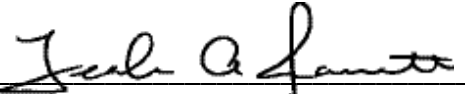




Monitoring Report
EL-11: Construction
January 11, 2024

I hereby present my monitoring report on the **Executive Limitations Policy EL-11: Construction** according to monitoring report schedule (BPD-04). I certify that the information contained in this report is true and represents compliance with a reasonable interpretation of all aspects of the policy unless specifically stated otherwise.

Signed  Date 10 January 2024
Leah A. Barrett, President

The President shall not allow construction of a new building or facility or major renovation that is inconsistent with industry standards and grantor expectations, environmentally irresponsible, risk financial jeopardy, or is not aligned with achievement of the Board's Ends.

I interpret "not inconsistent with industry standards" to mean the new building or major renovation is consistent with:

- a) The [Northeast Guidelines for Building Design](#);
- b) The [AIA Document A201-2017](#) and standard [Supplementary Conditions Addendum](#) entered into with the General Contractor;
- c) The [AIA Document B101-2007](#) master contract entered into with the College Architect, Wilkins ADP; and
- d) The final plans and drawings developed by the architects and engineers for any particular project.

I interpret "not inconsistent with grantor expectations" to mean any expectations for construction outlined by a donor which meets the Northeast Community College Foundation [Gift Acceptance Procedures](#).

I interpret "not environmentally irresponsible" to mean any building constructed pursuant to final plans, specifications and drawings which are in compliance with all federal, state and local environmental laws, rules and regulations.

“Financial jeopardy” is interpreted in #3 below.

Further, without limiting the scope of the above by the following:

... the President shall not:

1. Proceed with grant applications, detailed architecture or engineering, procurement of construction services, or real-estate transactions for a capital construction project as that term is defined under the Coordinating Commission for Postsecondary Education Act.

INTERPRETATION

The College is required to submit all proposed capital construction projects which utilize tax funds designated by the Legislature to the Coordinating Commission for review and approval or disapproval. See [https://nebraskalegislature.gov/laws/statutes.php?statute=85-1414\(10\)](https://nebraskalegislature.gov/laws/statutes.php?statute=85-1414(10))

The Coordinating Commission currently defines a “capital construction project” to mean any “proposed new capital structure; any proposed addition to, renovation of, or remodeling of a capital structure; any proposed acquisition of a capital structure by gift, purchase, lease-purchase, or other means of construction or acquisition that will be directly financed in whole or in part with tax funds designated by the Legislature totaling at least the minimum capital expenditure.” See [https://nebraskalegislature.gov/laws/statutes.php?statute=85-1402\(1\)\(a\)](https://nebraskalegislature.gov/laws/statutes.php?statute=85-1402(1)(a))

The Coordinating Commission currently defines “minimum capital expenditure” to mean: a) two million dollars; or b) an incremental increase in appropriation or expenditure of tax funds for operations and maintenance costs of at least \$112,000 in any one fiscal year within a period of ten years. See [https://nebraskalegislature.gov/laws/statutes.php?statute=85-1402\(1\)\(b\)\(iii\)](https://nebraskalegislature.gov/laws/statutes.php?statute=85-1402(1)(b)(iii))

EVIDENCE – the following construction projects are capital construction projects of the College which will require approval by the Board of Governors for submission to the Coordinating Commission:

<u>Proposed Capital Construction Projects</u>	<u>Projected Board Approval</u>
Maclay Building and Library Resource Center – Norfolk Campus	Program Statement Approved June, 2022 Project Approved February, 2023 Construction Contract awarded to Hausmann Construction June, 2023
Workforce Training Building – South Sioux City Campus	ON HOLD

The following construction projects are not considered capital construction projects within the meaning of this policy EL-11, because they do not meet either CCPE threshold. However, the President has made the operational decision to have the following projects considered by the Board.

<u>Proposed Capital Construction Projects</u>	<u>Projected Board Approval</u>
CDL Training Building, Driving Range and Welding Addition – South Sioux City Campus	Project considered and approved February, 2023
Fabrication Lab – Downtown Norfolk	Project considered and approved August, 2022

...the President shall not:

2. Request authorization to proceed with such a capital construction project prior to providing information that demonstrates that such construction is fiscally responsible and aligned with achievement of the Board’s Ends, and without providing data that supports an informed decision by the Board – including but not limited to clearly articulated information about the following:

- **Definition of the project’s purpose and goals.**
- **Definition of the project’s key elements and rationale for their inclusion.**
- **Definition of the project’s strategic context, and contribution to advancing the Board’s Ends or other policies, including the Master Site and Facilities Plan.**
- **Explanation of the project’s priority relative to other capital needs.**
- **Estimates of the capital cost, ongoing operating and maintenance costs, and expected useful life associated with the project.**
- **Explanation of anticipated funding sources and financing mechanisms.**
- **Project timeline.**

EVIDENCE

No new capital construction projects have been approved or considered by the Board since the date of the last Monitoring Report on March 7, 2023.

...the President shall not:

3. Request authorization to proceed with a capital construction project without incorporating it into an annual budget or a budget amendment.

EVIDENCE

<u>Proposed Capital Construction Projects</u>	<u>Budget</u>
None	

Further information regarding cost estimates and funding sources for the above projects may be found in the [Project Funding Sources](#) document.

...the President shall not:

4. Proceed with any other construction project in excess of \$500,000 prior to having plans, specifications and estimates prepared or reviewed by an architect or engineer.

EVIDENCE – The College Architect is Wilkins ADP, which is responsible for preparation of plans, specifications, and preliminary cost estimates for all construction projects. Wilkins ADP utilizes Olson Engineering for preparation of all structural, civil, mechanical, and electrical engineering plans and specifications. Wilkins ADP has prepared plans and specifications for the following other projects with a project cost in excess of \$500,000 in the past year:

<u>Other Construction Projects</u>	<u>Plans, Specifications and Estimates</u>
None	

...the President shall not:

5. Expend funds on any other construction project prior to having confirmed funding for that stage.

EVIDENCE

<u>Other Construction Projects</u>	<u>Funding</u>
None	

...the President shall not:

6. Allow the Board to be without regular reports on a capital construction project's implementation, including but not limited to:

- Changes to the anticipated cost of the project.
- Changes to the elements/scope of the project.
- Changes to scheduled completion, delays or impacts to timelines.
- Timely notice of possible cost overruns and planned action to reduce impact.
- Changes in contractor(s) and rationale.

EVIDENCE

<u>Capital Construction Project</u>	<u>Cost Changes</u>	<u>Scope Changes</u>	<u>Timeline Changes/Delays</u>	<u>Contractor Changes</u>
SSC Campus – CDL Building & Range/Welding Building Addition	See Attached	See Attached	Substantial Completion Scheduled for August, 2024	None – Contract awarded to HCI Construction
Maclay Building	See Attached	See Attached	Substantial Completion Scheduled for May, 2025	None – Contract awarded to Hausmann Construction
i-Hub			Substantial Completion est. July, 2025	Due for bids in March, 2024

The cost and scope changes have been reasonable and have been funded with the construction contingency dollars that were budgeted and approved.

Evidence #6. Capital Construction Project Changes

Capital Construction Project	Cost Change	Scope Change
SSC Campus - CDL Building & Range/Welding Building Addition	\$11,605	Additional work to make water main service connection after verification of location of water main.
Maclay Building	\$64,409	Install Contractor supplied utility transformer in lieu of Owner supplied transformer.