

ADJUSTMENT TO THE McCOMAS HALL ADDITION PROJECT

VIRGINIA TECH

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This project was approved under state processes and made effective July 1, 2006 with a total budget of \$13 million and a scope of 43,000 gross square feet (GSF) to provide additional recreation space to McComas Hall along with modest improvements to clinical and counseling spaces. The project is in the schematic design phase with an expected bid date of May 2009. The original total project cost estimates were based on 2005 comparables with a projected 3.5 percent annual inflation to the mid-point of construction, costing approximately \$300 per GSF. The updated total project cost estimates based on design work are approximately \$480 per GSF, which places the cost of original scope beyond the authorized budget. The total project unit cost of \$480 per GSF is within the normal range for similar small-scale new construction projects on campus. The Student Affairs program and University Planning Design and Construction Services (UPDCS) have worked together to develop a program and design concept that provides valuable space for the students and is affordable for the approved \$13 million budget. The solution includes a scope of about 27,000 GSF of new construction and minor renovations to address some of the key overcrowding concerns expressed by students.

The project was originally authorized by the state, and as a 100 percent nongeneral fund project it is now managed by the University under restructuring. The size reduction of the solution is beyond the ten percent authority delegated to the University administration under its Management Agreement. In accordance with the University's Management Agreement policy governing capital projects, the University should bring back to the Board any proposed project scope adjustments beyond minor changes (exceeding ten percent) for review and approval. This request is to adjust the amount of the original project scope to 27,000 GSF from 43,000 GSF.

Resolution on Adjustment of McComas Hall Addition Project

WHEREAS, the McComas Hall Addition project was originally authorized by the state in 2006 with a scope of 43,000 gross square feet (GSF) and a total budget of \$13 million; and,

WHEREAS, the project is funded with 100 percent nongeneral fund support and is managed under the University's restructuring Management Agreement; and,

WHEREAS, the project scope must be reduced from 43,000 GSF to 27,000 GSF to manage costs within the original \$13 million budget; and,

WHEREAS, the 27,000 GSF scope includes new construction and minor renovations essential to addressing key overcrowding concerns expressed by the students; and

WHEREAS, the cost profile of the project is within the normal range for similar campus buildings; and,

WHEREAS, the proposed scope reduction of the project is greater than the ten percent delegated to the University administration under its restructuring Management Agreement; and,

WHEREAS, in accordance with the University's Management Agreement policy governing capital projects, the University should bring back to the Board any project budget adjustments beyond minor changes (exceeding ten percent) for review and approval; and,

WHEREAS, under the 2006 Management Agreement between the Commonwealth of Virginia and the University, the Board of Visitors has authority to approve the budget, size, scope, debt issuance, and overall funding of nongeneral funded major capital outlay projects;

NOW THEREFORE BE IT RESOLVED, that the University be authorized to move forward with design and construction of an addition to McComas Hall at an adjusted scope of 27,000 GSF for the original budget of \$13 million.

RECOMMENDATION:

That the above resolution authorizing Virginia Tech to complete design and construction of an addition to McComas Hall at an adjusted scope of 27,000 GSF for the original budget of \$13 million be approved.

November 3, 2008