



Dialogue

CAPITAL RESOURCES MANAGEMENT • BUDGET & CAPITAL RESOURCES • UC OFFICE OF THE PRESIDENT

SPACE, THE FINAL FRONTIER? Most UC campuses have a constellation of good off-campus leasing opportunities, but before we boldly go where on-campus units have never gone before, we should evaluate our existing space for untapped potential. Various space management tools including Building Information Modeling (BIM) enable strategic space management to address constantly changing requirements, limited resources, and steadily rising energy costs. More efficient use and occupancy of existing space requires useful compilation of space data, standardized reporting, monitoring use of space and reevaluating space standards. For example, the University of Michigan considers: (a) overall building condition including age and infrastructure, (b) changing uses, and (c) energy efficiency. U of M addresses changing needs for their campus programs with (1) flexible space, (2) collaborative space, and (3) new technology. Campuses may elect to retain a design professional with strong space planning skills who can assist with strategies for efficient, flexible and collaborative space, such as activity-based space planning. With less leased space, operating costs are reduced, as is the campus carbon footprint. Berkeley recently completed a space consolidation study:

<http://newscenter.berkeley.edu/2012/10/22/campus-invited-to-tour-the-offices-of-the-future/> and UCSF is building an academic and faculty office building with activity-based space plan:

<http://regents.universityofcalifornia.edu/regmeet/nov12/gb3.pdf>.

Shauna Brown



Chancellor Authority Now \$10 Million

Brand-new delegations increase the Chancellor's authority for capital project budget and design approvals from the former threshold of \$5 million to \$10 million. Following endorsement by the Office of the President (OP)/Campus Capital Leadership Forum, the President has signed three new delegations of authority (DA) letters—DA 2574, DA 2575, and DA 2576—related to capital projects. With these new DAs, the President has delegated his full authority to the Chancellors for capital projects with a total project cost \$10 million and under. The DAs will be available online at the following site:

Colleen Connor

<http://www.ucop.edu/ethics-compliance-audit-services/policy/delegations-of-authority.html>

New Facilities Manual Website

The new millennium has moved the UC Facilities Manual (FM) into the present. The FM is now available on the new UCOP website. This is more than a book with a new cover. Taking advantage of HTML technology, we have simplified the navigation, references and structure. However, it retains all the captivating, page-turning content you've come to know and love. As we are no longer limited to binders and we have HTML link technology, we were able to reduce the manual's virtual girth by reducing redundancies and the paraphrasing of outside sources. We have not edited policies, procedures, or text in this migration. Think of it as an art museum seismic upgrade with accessibility improvements; yet all the world-class art still remains.

Chris Hornbeck

Continuing Disclosure for State Tax Exempt Bonds (GO and LRB)

Disclosure rules apply at the time when a bond is kicked off with the bond's Preliminary Official Statement and the subsequent Official Statement. Continuing Disclosure documents are required at any other time the issuer is "speaking to the market," such as the annual Securities and Exchange Commission (SEC) filing. Continuing disclosure is, at minimum, an annual reporting exercise, but reporting may be required more often than annually.

Test your knowledge: Which of the following events must be disclosed immediately?

- (A) Principal and interest payment delinquencies
- (B) Adverse tax opinions, such as in the case of private activity in the facility
- (C) Any event which prevents or delays beneficial use and intended occupancy
- (D) Bankruptcy, insolvency, receivership or similar proceedings involving the participating agency (UC)

Dana Santa Cruz

Answer: All of the above. Planning, design and construction professionals may be most concerned with answer (C). Any facts that bear on the facility's use and occupancy are material to the lease payments and must be immediately disclosed to Office of the President. Real estate professionals, contractors and grant officers, and facilities professionals need to be aware of changes in space use which indicate private activity. For more on this, see COMING ATTRACTIONS by CPI.



Seminar on Private Activity in Bond-Funded Buildings

CRM is planning a seminar on tracking and reporting Private Activity in projects funded through General Obligation Bonds (GO Bonds) and Lease Revenue Bonds (LRBs). It will provide a broad overview of private activity, and focus on the restrictions for private activity in GO- and LRB-funded projects. Topics will include methods for evaluating different types of private activity, process for and restrictions to adding private activity into LRB-funded buildings, and best practices for reporting and updating private activity through the on-line Private Activity Questionnaire mechanism. Other topics may include common issues such as rooftop solar panels and recommended actions for private activity in LRB-funded space. Details will be available in April—please visit: <http://ucop.edu/construction-services/programs-and-processes/cpi/index.html>

Colleen Connor

CPI 2013 - Alternative Delivery Methods Curriculum

Capital Programs Institute's 2013 curriculum supports our exploration of alternative delivery methods. Traditional project delivery is not always successful for today's fast-paced and increasingly more difficult projects. Integrated Project Delivery (IPD), Design-Build, Lean Construction, BIM and Best Value contractor selection are all maturing tools that may assist UC in meeting capital program challenges. Keep an eye out for upcoming CPI opportunities featuring UC professionals, academics, and value-proven consultants addressing many of the best practices we can leverage. You'll find the current schedule at <http://www.ucop.edu/construction-services/programs-and-processes/cpi/index.html>, and in this and every issue of Dialogue.

Chris Hornbeck

New Job Order Contract Agreement

The new Gordian Group (TGG) 2013 system-wide Job Order Contract (JOC) Agreement is signed and in effect until January 9, 2018. The fee structure changed from the previous (2011) Agreement, with an overall net increase in fees; it is important to understand the changes before choosing to bid and award new contracts. Contract Administrators should contact Chris Hornbeck for further information.

4-Clicks™ has teamed up with RSMeans™ to offer a competing menu of services and pricing. For those of you considering a JOC program for the first time, 4-Clicks™ may be an affordable alternative. If you would like to better understand the two offerings, contact Chris Hornbeck at chris.hornbeck@ucop.edu.

Chris Hornbeck

KEY DATES

MAR

26  Lean Construction Principles for UC
BERKELEY

APR

4  Lean Construction Principles for UC
UCLA

17  Design Build Contracts
UCSF

MAY

14-16 REGENTS MEETING
SACRAMENTO

CA Building Code and Cal/OSHA

Title 24 (California Building Code—CBC) and Title 8 (Cal/OSHA Regulations) are two regulations with significant impact on design and construction of capital projects. Both Title 8 and Title 24 address public safety in the built environment, and generally do not overlap or contradict each other, but rather complement each other. Capital and facilities units at the campuses should be familiar with both of these and other applicable state and federal laws and regulations.

Cal/OSHA: Title 8 was developed “...to ensure a safe and healthful work environment. ...” for all Californians. Title 8, Chapter 4, Subchapters 4 (Construction Safety Orders) and 7 (General Industry Safety Orders) are most applicable to capital projects and facilities operations and maintenance, but are by no means the only parts that apply.

California Building Code (CBC): The regulations address health and safety, seismic safety, fire and panic safety, energy conservation, sustainable buildings and construction practices, accessibility and other matters. The CBC governs design of capital projects, while some elements of Cal/OSHA touch on design issues as well. Some examples include (but are certainly not limited to):

- Window washing—may affect parapets, roof guard rails, roof anchors, interior anchor points, etc., and may need to be part of the building design.
- Elevator design and construction is covered in Title 8, and also in Title 24.
- Noise exposure—Title 8 Subchapter 7, “General Industry Safety Orders” contains, among other regulations, noise exposure limits during construction, but also campus environments at all times.

Contact Chris Hornbeck if you are interested in training on Cal/OSHA regulations applicable to capital projects and facilities management.

Catherine Kniazewycz



CODE CORNER