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## **Status Update for Recommendations from the May 2008 Report: Facilities Planning and Project Delivery Consulting Services prepared by RISE Alaska for the UA Board of Regents**

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### **Background**

The primary guiding recommendations are the reinvention of both the BOR FLMC purpose and the BOR Facilities Policy to be strategic rather than tactical, focusing the committee's meetings on stewardship and legacy decisions.

The RISE report (as it has become known) contains eleven broad findings discussed in the executive summary and multiple implementation recommendations for each of these findings. The purpose of this report is to document progress made to date and/or align the focus for our effort for the future.

### **Summary of RISE report findings and Status**

#### ***#1 Reinvent the BOR Facilities Committee Policy to be strategic instead of tactical. [UNDERWAY]***

Identification of strategic objectives for discussion with the BOR Facilities committee is being prepared.

#### ***#2. Reshape BOR approval authority levels for consistency and simplicity, and to facilitate a more strategic agenda. [UNDERWAY]***

Recommendation for modification to approval levels is being discussed by Facilities Council for internal administrative evaluation. The goal of facilitating a strategic agenda is on-going.

#### ***#3. Simplify and develop BOR project approval process for maximum influence on legacy decisions. [UNDERWAY]***

Effort continues to achieve consistency in how projects are presented to the BOR FLMC and to improve the quality of the information presented. In addition there is now compliance with most policy requirements, including specialty reports and notifications to the CFO and AVPF. The focus is on ensuring the MAUs develop clear and concise materials that present the strategic approach of the administration, as well as documenting necessary project details required for informed FLMC action. A draft template for large project business plans is beginning use with the intent that an approval request will present a comprehensive picture of project compliance with strategic and academic plans as well as full disclosure of financial commitments required for new construction.

**4. Revitalize the facilities planning function through dedicated planning positions and enhanced Master Planning.**

President Gamble will review the necessity and applicability of this recommendation, and take action as he deems appropriate. The AVPF has not yet presented a recommendation for his review.

**5. Combine the BOR Facilities and Finance Committees as each involves major overlapping financial and legacy decisions. [COMPLETED]**

The BOR and administration decided that there are valid and prudent reasons to keep the committees separate.

**6. Employ alternative project delivery methods as an effective tool of risk management. [UNDERWAY]**

Several projects have been accomplished and/or are under contract utilizing Innovative Procurement methods. The majority of construction projects completed by the three MAU's continue to be accomplished utilizing design/bid/build. The use of Innovative Procurement is most effective for the larger, more complex projects that UA undertakes. Currently, standard documents are being developed, to be utilized by all MAUs for innovative procurements as well as guidance about the more rigorous management process required when using this technique.

**7. Develop use of debt-financing for academic projects. [UNDERWAY]**

UA has made significant progress in leveraging state capital funds for construction with grant and debt financing. Use of multiple funding sources has moved from being the exception to being the standard that is expected for capital projects to move forward, primarily for non-academic facilities. Use of debt financing for academic facilities may also be considered, at least by the FY13 budget cycle. A requirement for a Business Plan for major capital projects has been implemented with the FY12 budget cycle, with the template still in final development.

**8. Recreate the UA Statewide facilities leadership position (AVP for Facilities) to be funded from the UA operating budget. [COMPLETED]**

This position has been filled.

**9. Improve the project budget template and use it as a tool for cost-estimates and BOR reporting. [FIRST STEP COMPLETED]**

Through the Facilities Council the budget templates were revised and are now used by all three MAU's in their BOR presentation materials. The detail is not as extensive as recommended by the RISE report and I am not sure that it is yet a tool for effective estimating of total project cost.

**10. Establish a 3-Year CIP (capital improvements plan) with a backlog of high priority projects beyond Year 3, in place of the current 6-Year CIP. [TRANSITION PARTIALLY COMPLETED]**

The recommendation included statements that the 6-year CIP was unrealistic in scope and magnitude, that it included all capital projects that the University had ever thought of, rather than a realistic plan. [6 year CIP was at ~ \$900M]. The current FY12-FY17 CIP plan targets a total capital request of \$200-\$250M per year. The aspect of this finding that remains to be addressed is: establishing a board-approved list of capital projects for at least the first three years of the 6-year plan.

**11. *Standardize BOR communications and project reporting. [COMPLETED]***

This has been accomplished by having the AVPF work cooperatively with the three MAU's Facilities Directors. In addition more effective communication between the AVPF, the Chair of the BOR Facilities Committee and the UA President is taking place. The AVPF also works closely with the MAU Chancellors, Vice Chancellors for Administration and the Business Council. This has improved the quality of information presented to the Board and of other reporting required by Board Policy.

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**Appendix One:** Report on the status of UA System compliance with each provision of Board Policy 05.12. (in draft, review with Facilities Council not complete)

**Appendix Two:** Report on the status for the implementation recommendations for each of the eleven findings in the RISE Report. (in draft, review with Facilities Council not complete)