



2016 ANNUAL PPAA WINTER CONFERENCE

January 26, 2016

Cooperstown, New York



State University
Construction Fund

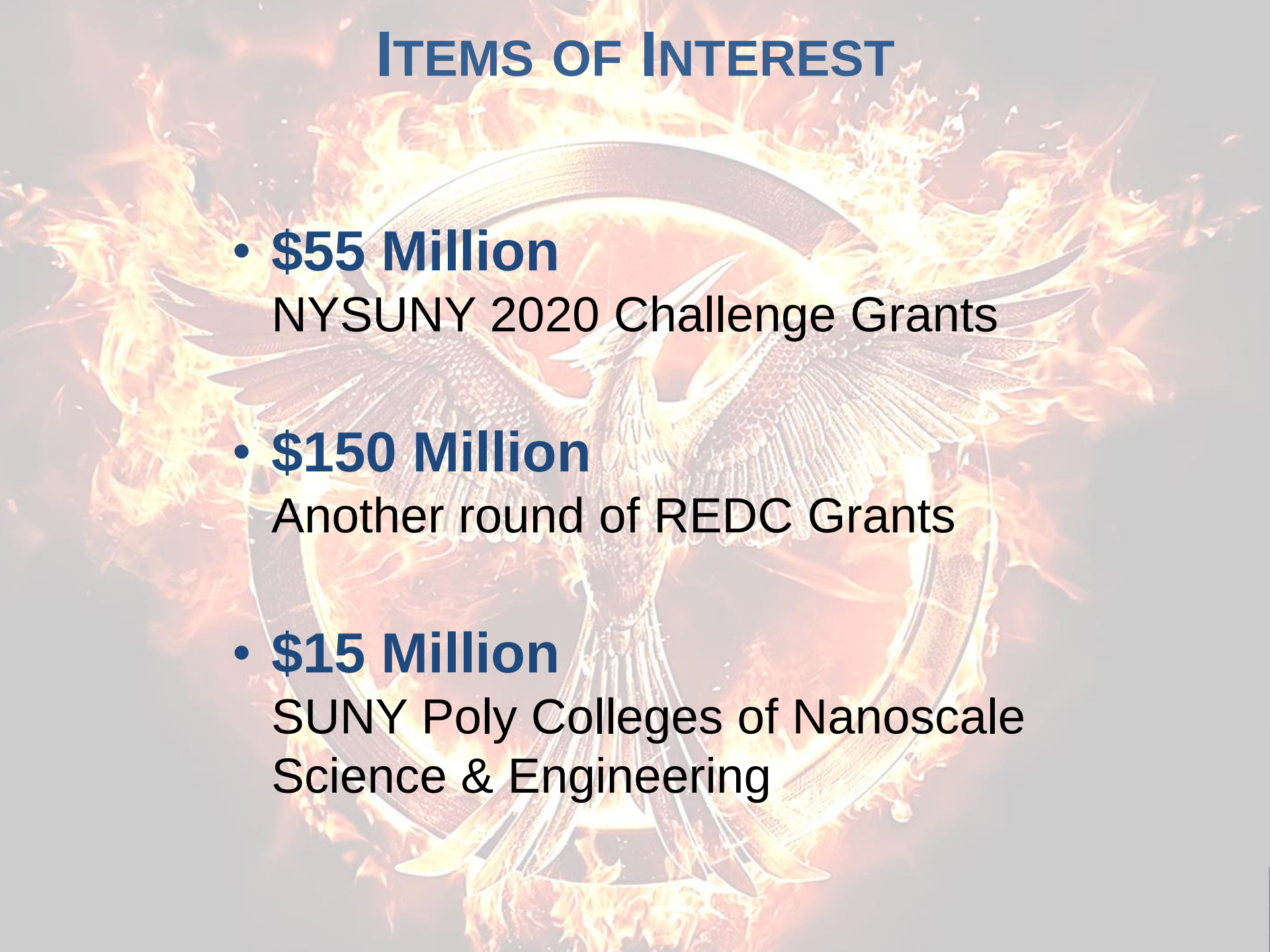
2016/17

Executive Budget

SUMMARY OF BUDGET REQUEST & EXECUTIVE BUDGET

Program	2016/17 Request	2016/17 Executive Budget	5-Year Request	5-Year Executive Budget
Educational Facilities: Critical Maintenance	\$600.0	\$200.0	\$3,000.0	\$1,025.0
Educational Facilities: Strategic Initiatives	200.0	0.0	1,000.0	0.0
Hospitals	600.0	175.0	600.0	175.0
Residence Hall	0.0	50.0	200.0	250.0
Community Colleges (State Share)	28.3	23.0	435.4	183.0
<u>SUNY-Wide Capital Initiatives:</u>				
Investing in Student Success: Targeted Investments to Enhance Learning Environments	50.0	0.0	50.0	0.0
SUNY Scientific Instrumentation Vanguard Program: Target Investments to Upgrade and Replace Scientific Instruments & Equipment	20.0	0.0	20.0	0.0
TOTAL	\$1,498.3	\$448.0	\$5,305.4	\$1,633.0
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ITEMS OF INTEREST

The background of the slide features a large, stylized phoenix rising from a field of intense orange and yellow flames. In the center, there is a circular emblem with a dark border, containing a detailed illustration of a bird, possibly a phoenix or eagle, with its wings spread wide.

- **\$55 Million**

NYSUNY 2020 Challenge Grants

- **\$150 Million**

Another round of REDC Grants

- **\$15 Million**

SUNY Poly Colleges of Nanoscale
Science & Engineering

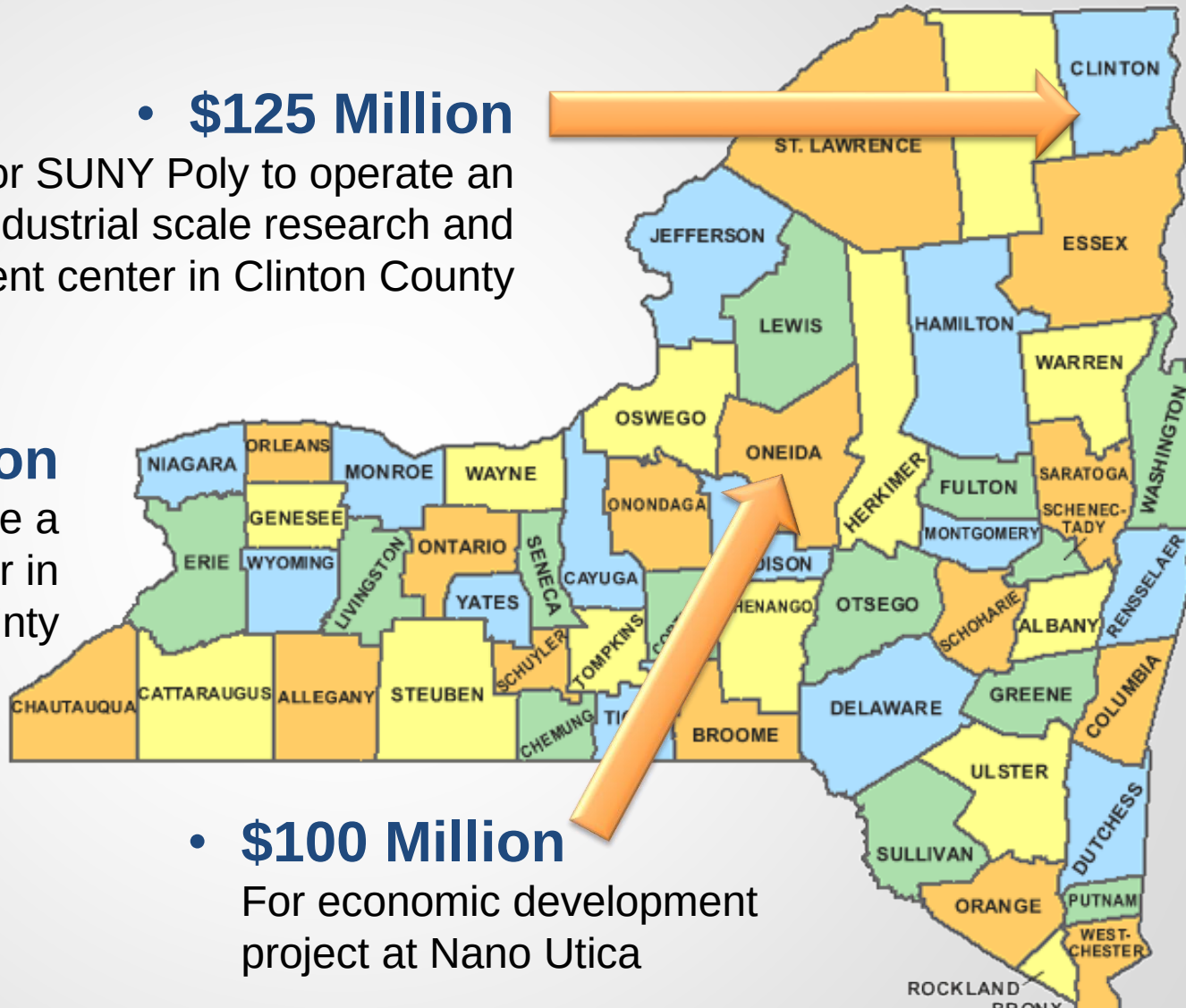
OTHER ITEMS OF INTEREST

- **\$125 Million**

For SUNY Poly to operate an industrial scale research and development center in Clinton County

- **\$200 Million**

For SUNY Poly to operate a commercialization center in Chautauqua County



- **\$100 Million**

For economic development project at Nano Utica

ITEMS OF CONCERN

30 Day Amendment Process:

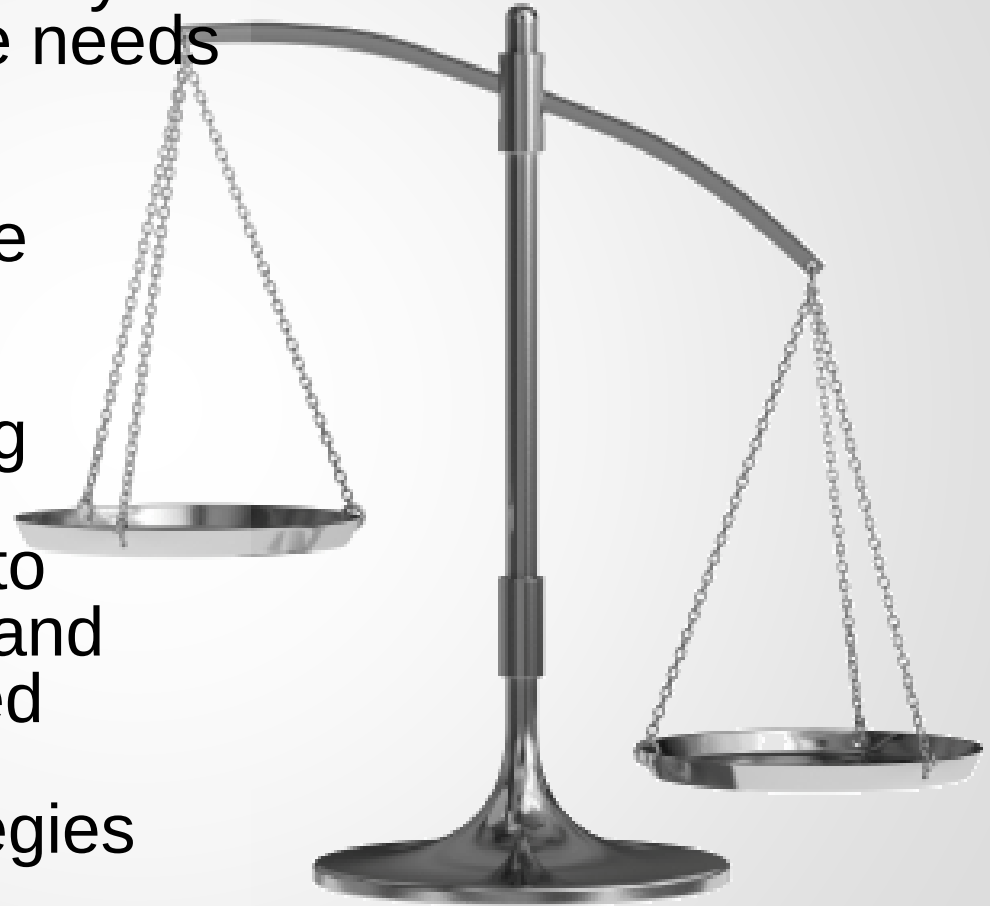
- No extension of exemption for SUNY/Fund contracts from OSC and AG pre-approval.
- Creation of the New York State Design and Construction Corporation with oversight over all public works projects with an aggregate construction value exceeding \$50M.



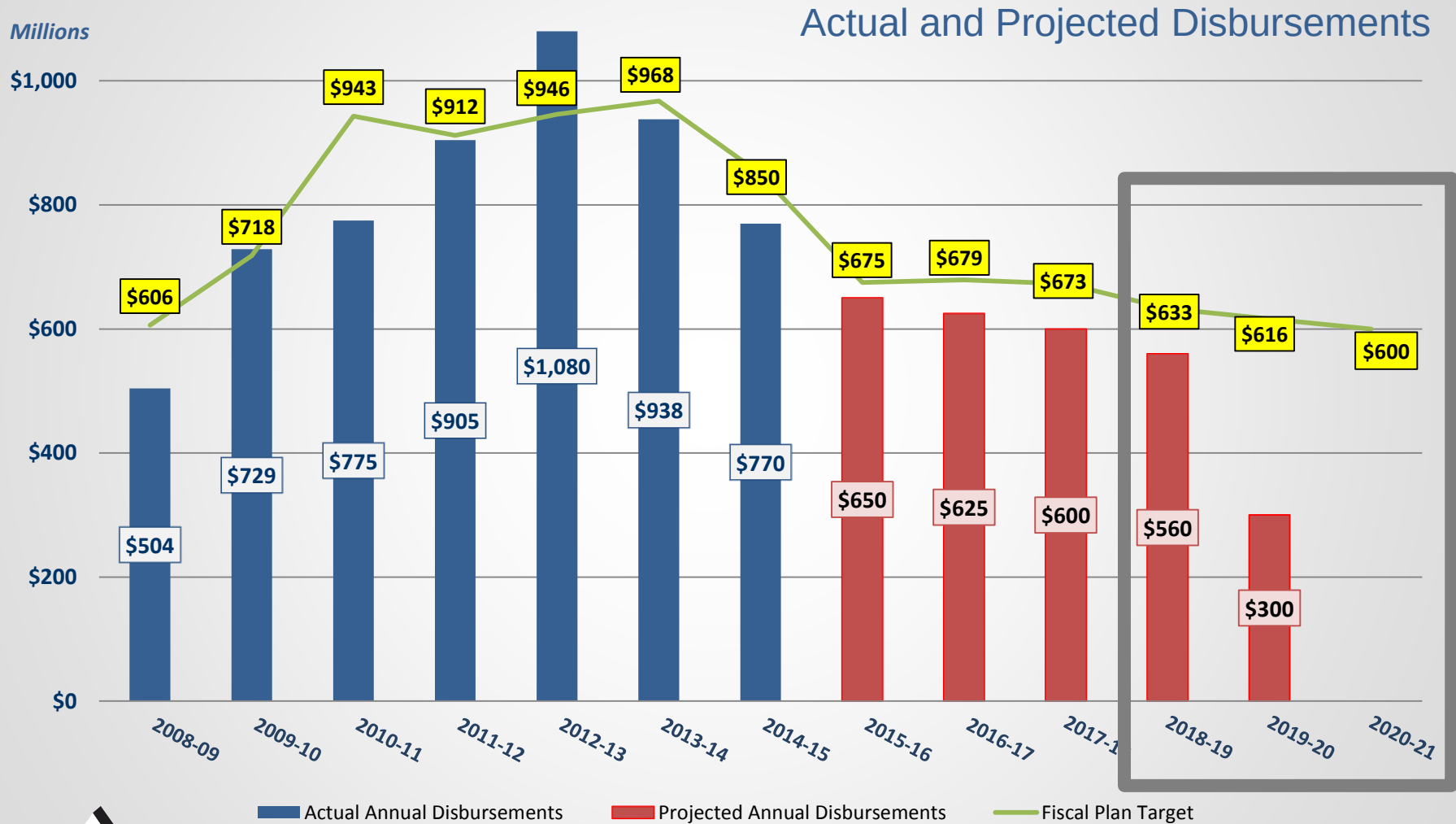
Capital Program Financing & Management

PROGRAM GOALS

- Address highest priority critical maintenance needs System-Wide
- Continue long-range planning
- Incentivize spending
- Right-size projects to reflect fiscal reality and that can be executed
- Align campus strategies



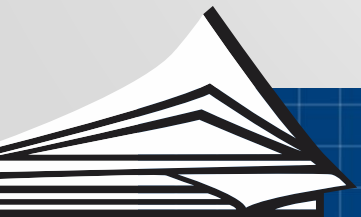
PROJECTED SPENDING FAR BELOW TARGETS



QUEUE COMMITTEE

Comprised of Fund Directors of:

- Finance
- Program Management
- Design
- Construction

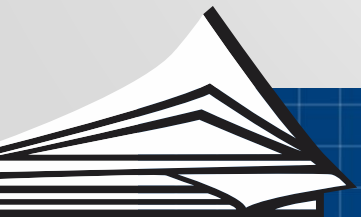


QUEUE COMMITTEE

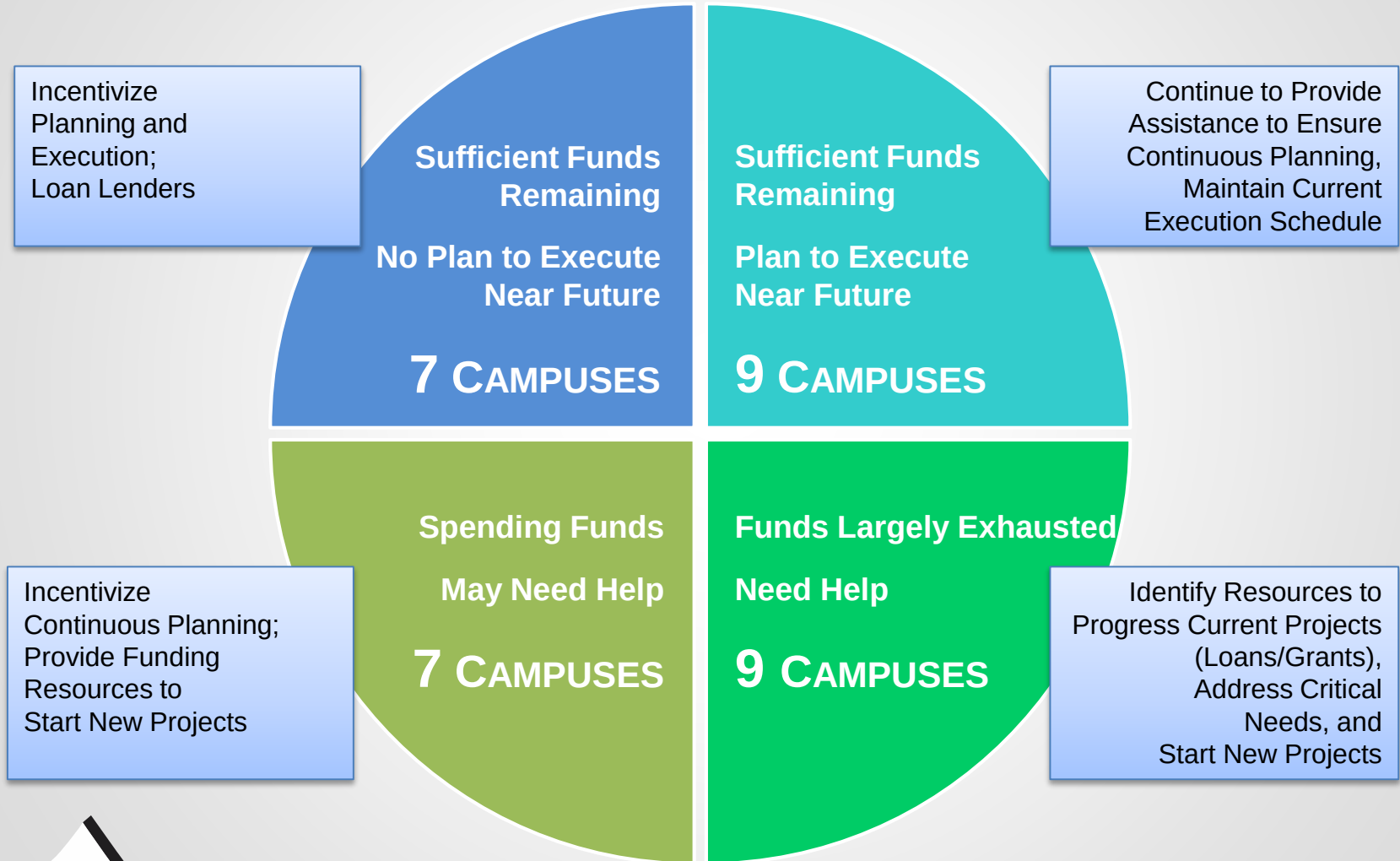
The committee reviews all future scheduled project commitments and assesses:

- Justification: is the project for **operational critical maintenance**?
- Priority: is the project **a campus priority**?
- Readiness: is the project **on schedule**?
- Affordability: can **spending be accommodated** within the current fiscal plan?
- Funding: does campus **have adequate and appropriate funds** available?

Projects that meet all the criteria but require additional funding are considered for loans or grants.



STRATEGIES TO ADDRESS VARIOUS CAMPUS SITUATIONS



APPROACHES TO FACILITATING DECISION MAKING AND INCENTIVIZING SPENDING

Loan Program

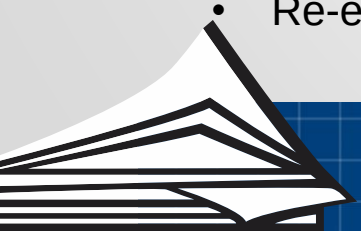
- 4 campuses have borrowed \$11M
- Average loan of \$3M for minor rehab projects

Grant Program

- \$21M invested in 6 high-priority critical maintenance projects
- Average grant of \$3.5M for mostly smaller infrastructure projects

Just-in-Time Funding Approach:

- Campus unencumbered CM funds reflected in balance account
- Funding is applied as projects are advertised for design & construction
- Contract disputes & claims are not funded until settled
- Re-evaluating change order and project contingency budgets



APPROACHES TO IMPROVING PREDICTABILITY

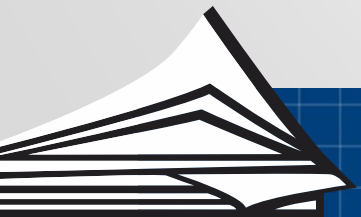
ACTIVELY MANAGE PROJECT SCHEDULES

- Overprogram. Put more into the queue than we can afford
- Minimize scope changes in later phases of project design
- Minimize delays in bidding projects
- Manage change orders resulting from campus requests after project advances to construction
 - **10%:** Current average of change orders/field orders
 - **2.6%:** Average change order rate driven by campus requests

APPROACHES TO EXPEDITING & ENHANCING PROJECT EXECUTION

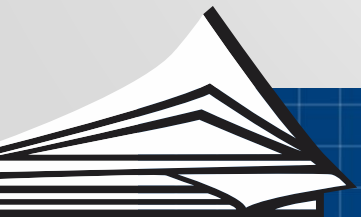
MODIFICATIONS TO FUND PROCESSES

- Changes to Construction Bid Documents and Contracts
 - New contractor qualifications requirements
 - Notice of Award and contract mailed concurrently
 - Contractor must return within 10 working days with required insurances
- Centralized Insurance Review

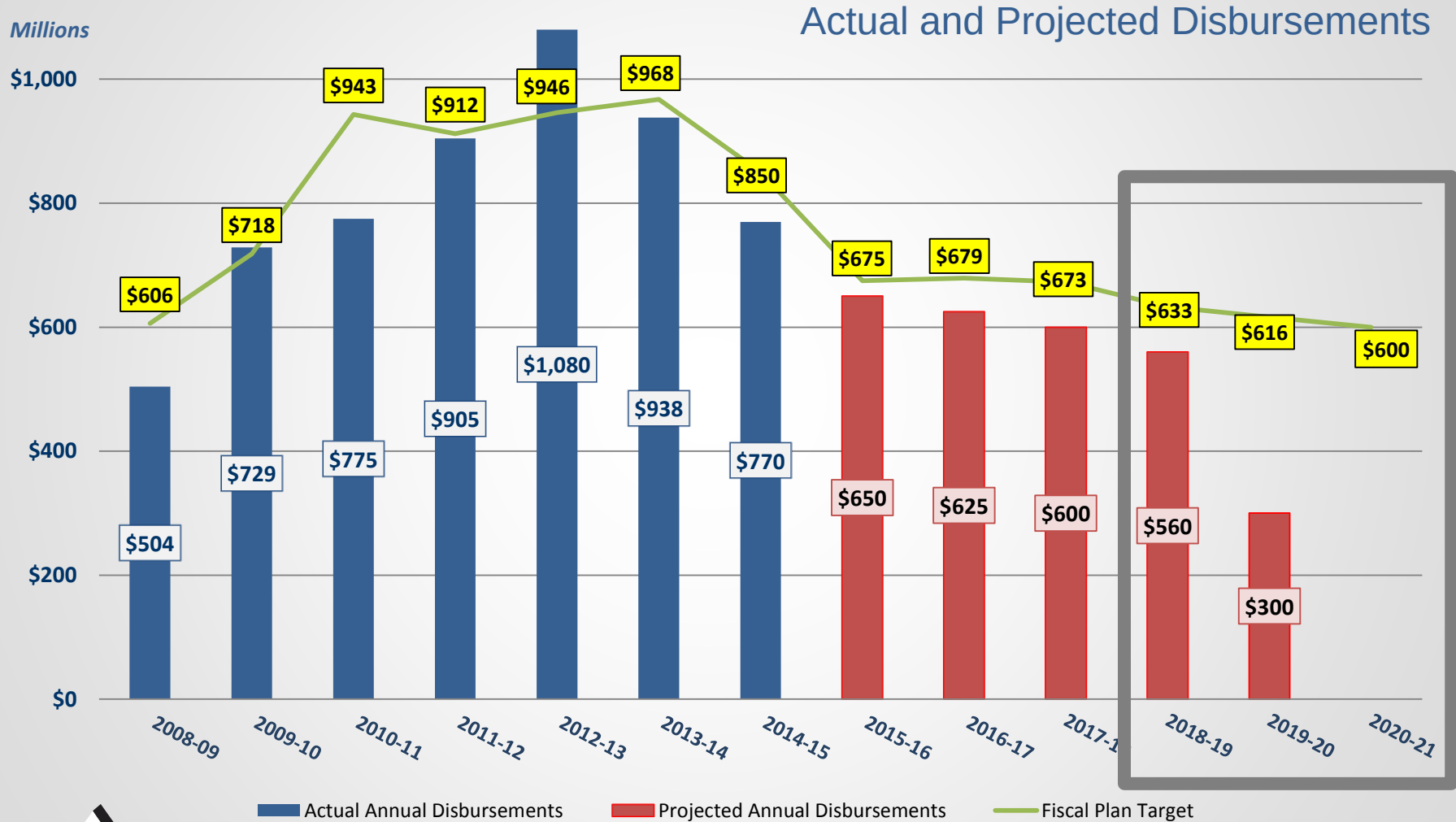


CURRENT MARKET CONDITIONS

- With the exception of the Buffalo region, the construction market remains soft
- We continue to receive good number of competitive bids and good number of bidders. To date, for year ending March 2016:
 - 36 projects bid for a total of \$110 million
 - 6 bidders, on average
 - \$12.7 million: bid amounts under initial budget
- We are bidding smaller projects, with an average construction value of \$3.0 million
 - Expands the field of potential bidders
 - Increases MWBE opportunities



PROJECTED SPENDING FAR BELOW TARGETS



Advocacy

2016/17 REQUEST:

5 UNIQUE ADVOCACY DOCUMENTS *WITH A REGIONAL FOCUS*

- State-wide
- East
- Central
- West
- South

BUILDING  2020

Building the Foundation for New York's Future
Requires a 2016 to 2021 Multi-Year Capital Plan

SOUTH

SUITE OF MATERIALS TO CAMPUS PRESIDENTS

BUILDING  2021

BUILDING THE FOUNDATION
FOR NEW YORK'S FUTURE
Requires a 2016 & 2021 Multi-Year Capital Budget

COLLEGE AT ONEONTA



To Learn
To Search
To Serve

2016/17 Capital Budget Advocacy ENDORISING ORGANIZATIONS

ABC of the Triple Cities
15 Belden Street
Binghamton, NY 13903
Bradley Walters, Executive Director
brad@stba.com
(607) 771-7000

AGCNYS
10 Airline Drive #203
Albany, NY 12205
Michael Elmdorff, President
melmendorf@agcnys.org
Joe Hogan, Vice President- Building Services
JHogan@AGCNYS.org
(518) 456-1134

AMENY
135-20 Liberty Avenue
Richmond Hill, NY 11419
Jim Heyliger, President
heylinger@aol.com
(718) 291-1641

CCA of the Hudson Valley
330 Meadow Avenue
Newburgh, NY 12550
A. Alan Seidman, Executive Director
aseidman@ccahv.com
(845) 562-4280

Eastern Contractors Association
6 Airline Drive
Albany, NY 12208
Todd Helfrich, President
toddh@ecainc.org
(518) 869-0961

ACEC NY
6 Airline Drive
Albany, NY 12205
Jay Simson, President
jay@acecny.org
(518) 452-8611

AIA NYS
50 State Street, 5th floor
Albany, NY 12207
Georgi Ann Bailey, Executive Director
gab Bailey@aianys.org
(518) 449-3334

BCA of Westchester
629 Old White Plains Road
Tarrytown, NY 10591
Ross Pepe
ross@cicnys.org
(914) 631-6070

Construction Exchange of Buffalo & Western NY
2660 William Street
Buffalo, NY 14227
Joseph Benedict, Jr., Executive Director
jbenedict@conexbuff.com
(716) 874 3435

Mohawk Valley Builders Exchange
10 Main Street Suite 202
Whitesboro, NY 13492
Jim Engler, President
jengler@engler-electric.com
Tracy Page, Executive Director
info@mvbe.com
(315) 736-2441

ONEONTA HALL

Issues:

Foundation
repairs and
replacement
materials that



Recent Reinvestment:

Other than minor repairs and replacement of HVAC/ Domestic Hot Water Equipment (\$1.7M), replacement of steam condensate line (\$500K), window replacement (\$400K) and fire alarm system replacement, there has been minimal capital reinvestment in the building in the last 10 years.

Remaining Capital Need:

The remaining capital need is estimated at \$22M to complete comprehensive renovation of the building. Remaining work includes exterior and interior rehab, building systems replacement and interior modernization.

Due to the size of the building, magnitude of capital cost and surge constraints, it is anticipated that construction would be phased. Construction phasing plans may increase overall cost.

REDC: Mohawk Valley



PLANNING FOR TOMORROW: OUR FUTURE

Thanks to New York State
Department, SUNY has made
considerable progress,
there is still much
to be done.

Importance of E funding

Investing is essential and necessary.
The SUNY family warm, safe and
during fire alarm and safety
are functioning properly, sidewalks
ways are lit and safe, and that
d cooling systems are performing
levels to facilitate learning.
The funding levels allow campuses
their role as stewards of State
and to plan and address the most
safety and building stabilization
before potentially catastrophic, and
ly, situations arise.



Leaking walls



Collapsing walkways



Outdated plumbing



Rotting ceilings



Damaged, leaking roofs



Electrical equipment
past useful life



Dated interiors



Unusable spaces



Worn-out laboratories



Dim and not functional
learning spaces



Antiquated lecture halls



Obsolete libraries



Crumbling classrooms

The importance PLUS funding

Modern and well-designed buildings and classrooms are essential to achieving the high performing environments necessary for today's students and future generations to succeed. Evolving methods of teaching and learning, based in technology, require investment in state-of-the-art buildings to support the educational and career advancement of hundreds of thousands of New Yorkers, solidifying the intellectual capital of the State. Pleasing and modern campuses also enhance national recognition of SUNY as a premier educational system.