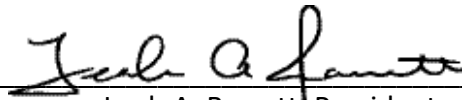




Monitoring Report
EL-11: Construction
February 13, 2025

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 
Leah A. Barrett, President

Date 11 February 2025

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 the purchase of real estate for a capital construction project. (Suggested changes to this policy)

INTERPRETATION

I interpret “capital construction project” to mean a capital construction project as defined by the Nebraska Coordinating Commission for Postsecondary Education. This is reasonable because the Coordinating Commission is the State agency responsible for approving or disapproving capital construction projects which utilize tax funds. 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))

Compliance will be shown when all College capital construction projects, whether utilizing tax funds, grant funds or donated funds, and which meet the same definitions and thresholds as the Coordinating Commission, are approved by the Board before proceeding with grant applications, detailed architecture or engineering, procurement of construction services or the purchase of real estate for a capital construction project.

EVIDENCE – Since the date of the last Monitoring Report in January 2024, the College has not proceeded with any grant application, procurement of construction services, or the purchase of real estate for a capital construction project. The College has proceeded with detailed architecture and engineering plans for a new Welding Building, which was presented to the Board in August 2024. Evidence regarding the status of the Welding Building project is more fully developed in the Evidence in Section 2 of this Monitoring Report.

...the President shall not:

2. Request authorization to proceed with a capital construction project prior to providing information that demonstrates 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.**
- **Whether the traditional design-bid-build or construction management at risk is the preferred method of construction.**

INTERPRETATION

Compliance will be shown when all proposed capital construction projects are the subject of discussion at a Board of Governors meeting which includes evidence of each item outlined in this section 2.

EVIDENCE

The following proposed capital construction projects were approved or considered by the Board since the date of the last Monitoring Report on January 11, 2024.

<u>Proposed Capital Construction Project</u>	<u>Consideration by Board</u>
Welding Building	August 2024

Note: The Welding Building project is currently on hold to consider the alternative option of renovating current space. The full analysis of both options and a recommendation will be brought to the Board in the future for approval prior to proceeding with the procurement of construction services.

...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.

INTERPRETATION

Compliance will be shown when there is a line item for all capital construction projects within the Capital Fund Budget.

EVIDENCE

Review of the [2025 Capital Fund Budget](#) shows a line item in the budget for the proposed Welding Building project.

...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.

INTERPRETATION

Compliance will be shown when all proposed construction projects in excess of \$500,000 have plans and specifications and cost estimates prepared by the College architect prior to the procurement of construction services.

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. The Vice President of Administrative Services has verified that Wilkins ADP has prepared/is preparing plans and specifications for the following other projects:

<u>Other Construction Projects</u>	<u>Plans, Specifications and Estimates</u>
Cox Activities Center – Restroom and Front Entrance Remodel	In process.
Ag Allied Health Building – Art Room Relocation	In process.
College Farm Improvements	In process.

...the President shall not:

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

INTERPRETATION

Compliance will be shown when all proposed construction projects have a finalized project budget which includes confirmed funding prior to advertising for bids. This is reasonable as a matter of best practice in the higher education industry.

EVIDENCE

<u>Other Construction Projects</u>	<u>Funding</u>
Cox Activities Center – Restrooms and Front Entrance Renovation	Capital Fund – separate line item has been included in the capital fund budget for several years
Ag Allied Health Building – Art Relocation	Capital Fund – part of the line item in the capital fund budget for L Building

...the President shall not:

6. Proceed with the negotiation or execution of a construction management at risk contract without the Board first adopting a resolution selecting the construction management at risk contract delivery system as the method of construction, in compliance with the Political Subdivisions Construction Alternatives Act.

INTERPRETATION

Compliance will be shown when Board minutes reflect the passage of a resolution selecting the construction manager at risk method for a project that is dated prior to the execution of any construction manager at risk contract for that project.

EVIDENCE

Since the date of the last Monitoring Report in January 2024, there are no construction projects for which the construction manager at risk method of construction has been adopted.

...the President shall not:

7. 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.**

INTERPRETATION

I interpret "regular reports" to mean reports as needed when cost changes exceed the budgeted project contingency amount and when scope changes occur that are outside the initial plans and specifications.

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	\$8,577	None	Substantial Completion Achieved December, 2024 Final Completion scheduled for February, 2025	None – Contract awarded to HCI Construction
Maclay Building	\$171,866	None	Final Completion Scheduled for July, 2025	None – Contract awarded to Hausmann Construction
i-Hub	\$107,960	Reconstruction of South Wall	Substantial Completion Scheduled for June, 2026	None – Contract awarded to Rogge Construction

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