

**ITEM 155-1502-R0512**

**Increase the Authority to Renovate and Design and Construct an Expansion to the Health, Physical Education and Recreation (HPER) Building; Montana Tech of The University of Montana**

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**THAT**

Consistent with the provisions of MCA 18-2-102 and 20-25-302, the Board of Regents of the Montana University System authorizes Montana Tech of The University of Montana to increase the project budget to renovate and expand the Health, Physical Education and Recreation (HPER) Building located on its North campus in Butte. The original authorization approved included approval for Montana Tech to proceed with the \$3,000,000 project. The project was increased in July 2010 by \$150,000 to cover the cost of bringing the fire alarm system up to code throughout the building. Another increase in the project authority to \$3,550,000 was approved in February 2011 based on the actual bid and construction costs without any alternates. This request is for an additional increase of \$175,885 of project authority for a total of \$3,725,885 to cover the cost of paving the lot behind the HPER Building.

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**EXPLANATION**

Item 144-1504-R0909 approved in September, 2009 gave Montana Tech of The University of Montana authority to expend \$3,000,000 to expand and partially renovate the HPER Building on its North campus in Butte. The planning for this expansion and renovation revealed that the fire alarm system in the building would not meet building codes and the cost of \$150,000 was added to the project authority.

Based on a bid and project costs of \$3,550,000, Montana Tech received additional authority in Item 150-1501-C0211 to complete the project without any additive alternates. Now that the project is completed, Montana Tech needs to develop a parking lot for the HPER Building. During renovation, one of the tennis courts was removed in order to accommodate the construction and renovation. The space where the tennis court was originally located is ideal for the construction of a parking lot and, in fact, was incorporated into the original design as an additive alternate. However, Montana Tech was unable to accept any of the alternates due to cost constraints.

The campus has identified plant funds set aside for campus paving projects which may be used for the project. The contractor has submitted a change order price based on the original additive alternate bid. However, since the work was not included in the original contract, the current price reflects increased costs to the contractor to perform the work. The added costs are a result of a change order being processed along with escalated material costs. The price of the parking lot and the change order is estimated at \$175,885 and includes a 10% contingency of \$15,990.

This request will be funded from campus plant funds set aside for paving projects. All other funding sources for the HPER building project remain the same as previously approved. Montana Tech further requests that the authority for this project be increased to \$3,725,885.

Authority for renovation of an existing building with costs in excess of \$150,000 requires the following additional information:

a) Revised Project Description

The project cost to renovate the HPER Building remains at \$3,550,000 and, with the addition of a

parking lot, the project cost will increase to \$3,725,885. The proposed parking lot will provide 22 spaces of much needed additional campus parking for the HPER Building.

b) Revised Cost Estimate:

Original HPER Renovation	3,550,000
Addition of Parking Lot	175,885
Total Revised Cost	3,725,885

Project Funding:

Auxiliary Plant Funds	645,000
<b>Parking Plant Funds (572534)</b>	<b>175,885</b>
DEQ Energy Loan	150,000
NorthWestern Energy Rebate	15,000
InterCap Loan/Student Fees	<u>2,740,000</u>
Total Revised Funding	3,725,885

c) Programs served, enrollment data, projected enrollments:

The revised project and increased authority will allow Montana Tech to keep our HPER facilities safe for students, staff and guests while meeting the demands of our students to provide a facility they will want to utilize. The addition of a parking lot adjacent to the building will provide safe, handicap access to the HPER from the West side of the building.

d) Space Utilization Data

The parking lot will provide 22 additional parking spaces for Montana Tech students.

e) Projected uses of any existing space made available as a result of the project.

No existing space will be made available.

f) Projected operation and maintenance costs upon completion including proposed funding sources.

The only maintenance in the short term will be snow removal and parking fees generated by the additional parking will be set aside in the current repair and replacement account to maintain and replace the lot in the future.

This revised authority approval is necessary to proceed with the parking lot which was an additive alternate to the project but previously not funded. If not approved, the project will need to be rebid. The time, effort and associated costs could have a negative impact on the campus parking available to the students.

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## **ATTACHMENTS**

- 1 – Contractor's Estimate
- 2 – Architect's Rendering