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THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

Enclosed for your information is the Major Capital Projects Implementation Report for fiscal year 2000-01. The report describes the aggregate status of major capital projects underway at the end of the 2000-01 fiscal year and summarizes management initiatives and market conditions affecting project implementation.

If you have any questions about the report, please contact Senior Vice President Mullinix.

Yours truly,

Richard C. Atkinson
President

Enclosure

cc: Chancellors

MAJOR CAPITAL PROJECTS IMPLEMENTATION REPORT, 2000-01 Fiscal Year

Introduction

The Major Capital Projects Implementation Report, first presented in 1991, measures project delivery performance and identifies trends. This report describes the aggregate status of major capital projects underway at the end of the 2000-01 fiscal year and summarizes management initiatives and market conditions affecting project implementation.

The University's ability to successfully implement its capital program depends on numerous factors. Factors within University control include project management and delivery strategies, academic program changes, and budgeting/funding strategies. Factors beyond University control include the construction industry bid climate and market conditions, code changes, requirements of state and other funding sources, and weather delays. This report will also address continuing volatility in the current construction market.

It is important to note that many project budget and schedule changes are driven by circumstances intentional, necessary, and beneficial to the University's interests (for example, program changes, the logistics of multiple project phasing, and incorporation of new funding opportunities). Because this mix of factors affects project delivery, simple indicators do not fully represent the complexity of factors affecting project implementation. Nonetheless, to assess the general condition of the program, to identify trends, and to develop initiatives to improve project delivery, two indicators are monitored: (1) project budget changes and (2) project schedule changes.

Status of the Capital Program

Major University capital project activity for fiscal year 2000-01 is shown in the summary table which follows. The compilation deals only with major capital projects, those over \$250,000 project cost. All figures referring to either budget or schedule changes represent the cumulative change over a project's duration (normally exceeding four years).

Summary of Major Capital Project Activity at Fiscal Year End 2000-2001

Total active projects	311
Total amount of original budgets	\$5,143,418,000
Cumulative approved budget changes (adj for inflation)	\$167,877,000
Total year-end budget, (adj. for inflation)	\$5,311,295,000
Percent Change from Original Budget	3.3%
Total year-end budget (including inflation)	\$5,321,199,000
Projects with budget changes	66
Projects with schedule changes	170

The Committee on Grounds and Buildings of The Regents has focused its attention on long-term planning and development issues and initiated a cycle of discussions with senior leadership from each campus. These focused discussions will occur during the Pre-Regents' Meeting Design Consultations that precede each Board meeting, and will provide campus leaders the opportunity to present their visions for long-term campus physical development within the context of resurgence of growth. Specific areas to be addressed will include:

- Building design character in response to vision for the overall campus community
- Sustainability and life-cycle cost of ownership
- Land use conservation and cost of infrastructure
- Provision of adequate resources to achieve goals

In addition, during 2000-01 the University:

- Began work on a new cycle of updates to campus Long Range Development Plans, to better manage projected enrollment growth;
- Responded to a severe energy crisis with initiatives to conserve energy and foster energy independence by planning for additional cogeneration facilities and alternative energy sources;
- Continued to address a shortage of student housing through expansion of housing bed count;
- Began aggressive implementation of a new campus in Merced, scheduled to begin classes in Fall 2004;
- Supported the development of campus project management capabilities by expanding the range and scope of training programs and courses for campus personnel through the UC Project Management Institute;
- Expanded the range of choice of UC-approved project delivery methods available to campuses by formalizing UC-standard contract documents for Design/Build, Construction Management at Risk, and Multiple-Prime (Construction Management Advisory) project delivery methods.

Deferred Maintenance Program

The University is in the fourth year of its bond-financed deferred maintenance and facility renewal program, which has provided \$282 million for "priority one" projects. These funds have allowed the University to address critically deteriorated buildings and infrastructure systemwide. Approximately eleven hundred deferred maintenance and capital renewal projects were funded in fiscal years 1998-99, 1999-2000, and 2000-01, and it is anticipated that 150 to 200 projects will be funded in FY 2001-02. Completed projects over the life of this program have included repair or replacement of 130 roofs; nearly 250 HVAC projects; improvement of electrical systems in nearly 100 buildings; improvement of plumbing systems in nearly 120 buildings; nearly 40 infrastructure projects (including renewal of major steam tunnels and inter-campus utility lines); and many other fire protection systems, elevators, and building exterior renovations.

UNIVERSITY OF CALIFORNIA
MAJOR CAPITAL PROJECT SUMMARY
2000-2001

CUMULATIVE CHANGES TO BUDGET AND SCHEDULE SINCE PROJECT APPROVAL BY REGENTS

	1	2	3	4	5	6	7	8	9
	Active Projects	Original Budget (\$000's)	Budget at End of 00-01 (\$000's)	Inflation Adjusted Budget 00-01 (\$000's)	Total # with Budget Changes	Changes to Original Budget (\$000's)	% Change from Original Budget	# with Schedule Changes	% with Schedule Change
BERKELEY	45	406,660	454,979	451,271	16	44,611	11.9%	20	44.4%
DAVIS	47	656,163	665,861	666,656	12	10,493	1.5%	21	44.7%
IRVINE	24	339,651	360,614	355,622	4	15,971	6.2%	12	50.0%
LOS ANGELES	36	1,594,974	1,615,048	1,614,346	8	19,372	1.3%	24	66.7%
MERCED	4	204,297	204,297	204,297	0	0	0.0%		0.0%
RIVERSIDE	16	230,058	235,227	234,010	7	3,952	2.2%	9	56.3%
SAN DIEGO	46	715,778	743,303	742,051	12	26,273	3.8%	29	63.0%
SAN FRANCISCO	48	470,150	470,150	470,150	0	0	0.0%	30	62.5%
SANTA BARBARA	22	246,956	263,991	265,163	2	18,207	6.9%	9	40.9%
SANTA CRUZ	21	250,603	274,569	274,569	4	23,966	9.6%	12	57.1%
DANR	1	2,842	2,842	2,842	0	0	0.0%	1	100.0%
OP	1	25,286	30,318	30,318	1	5,032	19.9%	1	100.0%
	311	5,143,418	5,321,199	5,311,295	66	167,877	3.3%	168	54.0%
BUDGET CHANGES									
Reduced					9	(3,221)			
Increased					57	171,098			
SCHEDULE									
On schedule								143	
Schedule Changed								168	
STATE	67	1,763,821	1,824,924	1,815,020					
NON-STATE	244	3,379,597	3,496,275	3,496,275					
TOTALS	311	5,143,418	5,321,199	5,311,295	66	167,877	3.3%	168	54.0%

(1) Active Projects: Projects with budgets exceeding \$250,000 on which funds were expended in 2000-2001 and had not been completed by June 30, 2001.

(2) Original Budget: The sum of the original budgets for the active projects approved by The Regents.

(3) Budget at End of 99-00: The sum of the project budgets at year end. This figure includes all increases and decreases made to the original budget since its approval.

(4) Budget with inflation removed for state funded projects.

(5) Total # with Budget Changes: How many of the active projects have had budget changes (increases or decreases) over the life of the project to date?

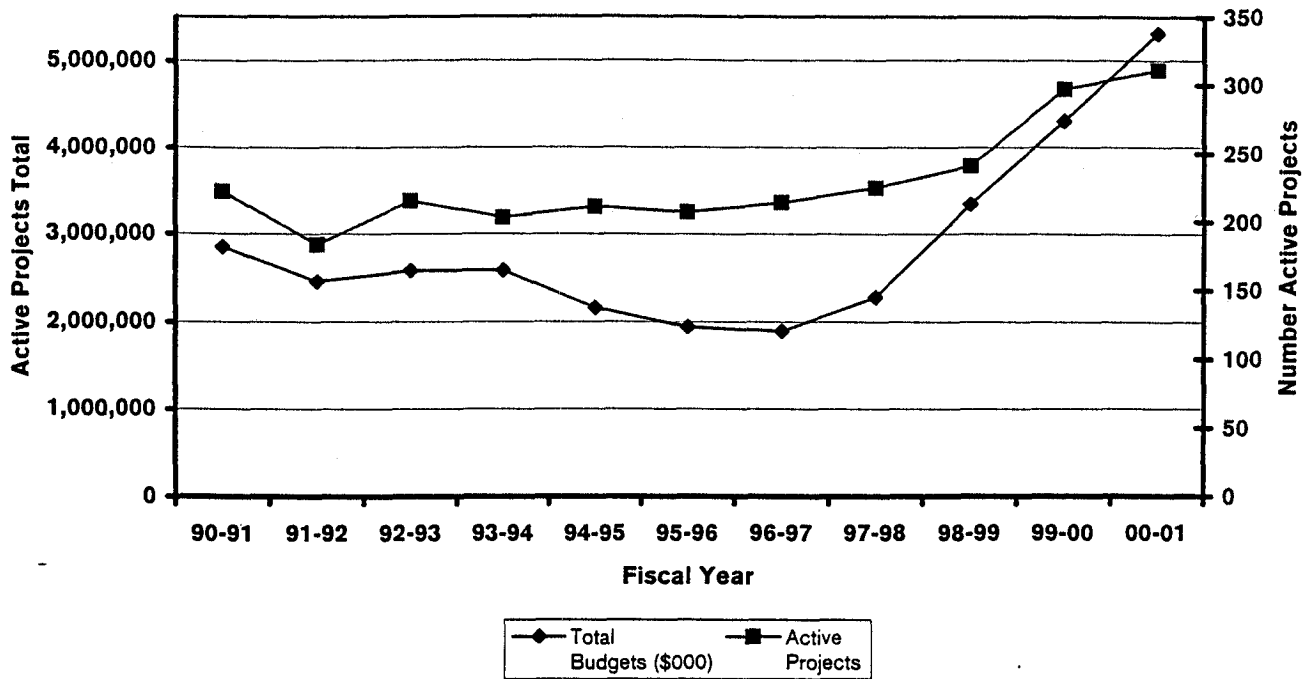
(6) Changes to Original Budget: This is a net dollar amount of augmentations and decreases. State funded project budgets are adjusted to the original cost index for the project so that inflationary changes are not reflected as budget augmentations.

(7) % Change Original Budget: The budget changes represent what percent change from the original budget, due to revised program scope or market conditions.

(8) # with Schedule Changes: The number of projects that have had changes in their schedule since original approval.

(9) % with Schedule Changes: The number of projects with schedule changes represents what percentage of the total campus projects?

Fig. 1: Total Budget and Number of Projects



Projects: All active projects with budgets exceeding \$250,000 for which funds were expended in 2000-01 and had not been completed (no Notice Of Completion filed) by June 30, 2001.

Dollars: This is the sum of all project budgets at end of 2000-01. The figure includes all increases and decreases adjusted to remove inflation made to the original budget since its initial approval.

Fig. 2: Percent Change to Active Project Budgets

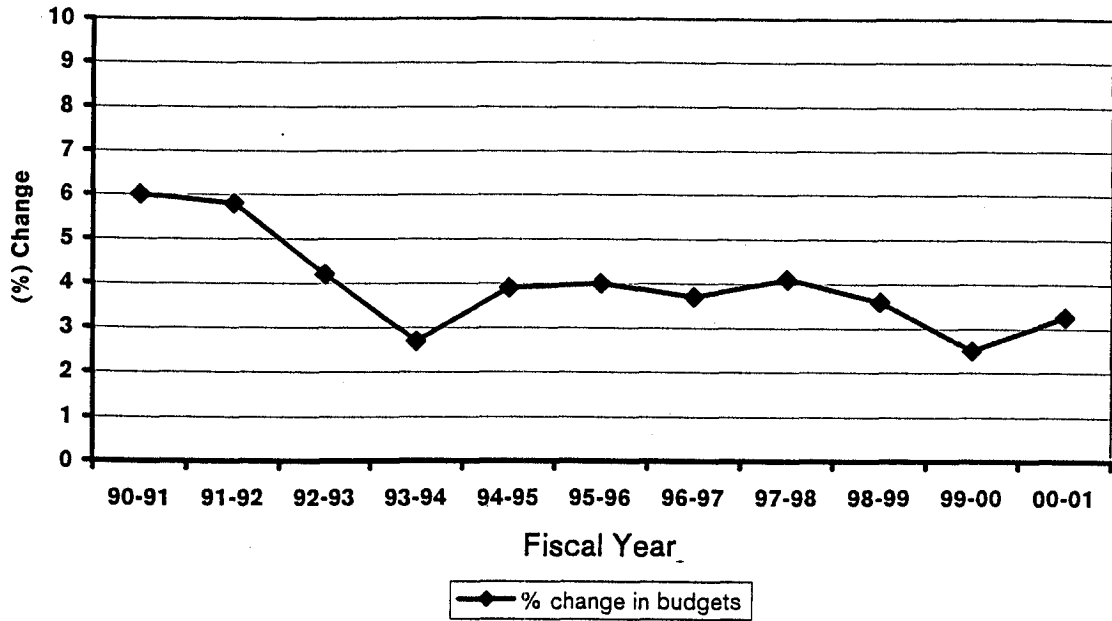


Fig. 3: Percent of Projects with Schedule Changes (%)

