

**UNIVERSITY OF ALABAMA SYSTEM
BOARD RULE 415
BOARD SUBMITTAL CHECKLIST CRITERIA**

**BOARD SUBMITTAL CHECKLIST NO. 4
CAPITAL PROJECT - STAGE IV SUBMITTAL ^{/1}
(Construction Contract Award)**

CAMPUS: The University of Alabama, Tuscaloosa, Alabama

PROJECT NAME: Delta Kappa Epsilon Addition and Renovation

MEETING DATE: November 2-3, 2023

- ☒ 1. Board Submittal Checklist No. 4
- ☒ 2. Transmittal Letter to Chancellor from Campus President requesting project be placed on the agendas for the forthcoming Physical Properties Committee and Board of Trustees (or Executive Committee) Meetings
- ☒ 3. Proposed Board Resolution requesting approval of Construction Contract Award, Construction Budget and Project Budget by the Board of Trustees
- ☒ 4. Executive Summary of Proposed Capital Project with final Contract Construction Budget and Project Budget (include all proposed project funding for movable equipment and furnishings) ^{/2}
- ☒ 5. Tabulation of competitive bids – certified by Project Architect/Construction Manager
- ☒ 6. Recommendations for Contract Award by Architect/Construction Manager
- ☒ 7. Campus Map(s) showing project site
- ☒ 8. Final Business Plan (if applicable) ^{/3}

Prepared by: Michael Hand

Approved by:

Jim Leoporel / cu
AM

^{/1} Reference Tab 3I - Board Rule 415 Instructional Guide

^{/2} Reference Tab 3E - Board Rule 415 Instructional Guide

^{/3} Reference Tab 3V - Board Rule 415 Instructional Guide



September 21, 2023

Chancellor Finis E. St. John IV
The University of Alabama System
500 University Boulevard East
Tuscaloosa, Alabama 35401

Dear Chancellor St. John:

I am pleased to send you for approval under Board Rule 415 the attached documents for a Stage IV submittal for the Delta Kappa Epsilon Addition and Renovation project.

The resolution requests authorization to award the construction contract, approval of the revised and reallocated project budget, and approval of the revised project funding.

The item has been thoroughly reviewed and has my endorsement. With your concurrence, I ask that it be added to the agenda for The Board of Trustees at the regular meeting on November 2-3, 2023.

Sincerely,

A handwritten signature in black ink, appearing to read "SRB", written over a horizontal line.

Stuart R. Bell
President

Enclosure



THE UNIVERSITY OF ALABAMA

RESOLUTION

APPROVAL OF THE REVISED PROJECT BUDGET; AUTHORIZATION
TO EXECUTE A CONSTRUCTION CONTRACT FOR THE
DELTA KAPPA EPSILON ADDITION AND RENOVATION

WHEREAS, on November 4, 2022, in accordance with Board Rule 415, The Board of Trustees of the University of Alabama (“Board”) approved the Stage I submittal for the Delta Kappa Epsilon Addition and Renovation project (“Project”) located at 976 University Boulevard; and

WHEREAS, the Project will allow Delta Kappa Epsilon (“Chapter”) to provide their current and future members a more functional space to improve food service and event operations and to enhance the student experience by bringing the facility in line with current trends in Greek life and providing more community space; and

WHEREAS, Clark, Geer, Latham and Associates, Inc., (“CGL”) of Mobile, Alabama, were engaged by the University of Alabama (“University”) and Chapter to perform due diligence and programming services for the Project and the firm was part of the design team for the original construction; and

WHEREAS, on November 4, 2022, due to CGL’s familiarity and knowledge of the facility and program, University Design Standards and procedures, and classical design principles that will facilitate an efficient design process and ensure coordination with the existing infrastructure, systems and architecture, the Board authorized the University to waive the Consultant Selection Process and to utilize CGL to provide design services for the Project; and

WHEREAS, the University negotiated a final design fee for CGL’s services based on 6.3% of the cost of construction and utilities and infrastructure, plus a 1.2 renovation factor and \$40,000 for additional services and reimbursables, and a credit of \$25,000, which represents an 11% discount of the standard design fee; and

WHEREAS, on June 9, 2023, the Board approved a budget revision from \$5,000,000 to \$7,407,900 to reflect scope revisions, current market conditions and associated soft costs; and

WHEREAS, on June 9, 2023, in accordance with Board Rule 415, the Board approved renderings for the Stage III submittal for the Project; and

WHEREAS, on September 12, 2023, pursuant to Title 39, State Bid Law of Alabama Code, competitive bids were received for the Project and WAR Construction, Inc., Tuscaloosa, Alabama, (“WAR”), was declared the lowest responsible bidder with an adjusted base bid of \$5,429,000; and

WHEREAS, the University, on behalf of the Chapter, desires to accept Alternate #1 for \$25,800 and Alternate #2 for \$12,000; and

WHEREAS, the University is requesting approval to award the construction contract for the Project to WAR Construction, Inc. for a total contract amount of \$5,466,800 including the adjusted base bid and Alternates #1 and #2; and

WHEREAS, the University is requesting approval of a Revised and Reallocated Budget to reflect the construction bid results and associated revisions to soft cost and overall reduction in the Total Project Cost; and

WHEREAS, the Project location and program have been reviewed and are consistent with the University Campus Master Plan, University Design Standards and the principles contained therein; and

WHEREAS, the Project will be funded from a Chapter Payable in the amount of \$6,496,914 which will be in the form of a loan to Delta Kappa Epsilon and Chapter Reserves in the amount of \$750,000, which the University has verified funding availability, and the Project will address deferred maintenance liabilities in the amount of \$1,000,000; and

WHEREAS, Delta Kappa Epsilon has agreed to repay the loan of \$6,496,914 to the University and has shown through its Business Plan the ability to repay the loan and the Chapter currently has no outstanding balance whatsoever on the original construction of the house; and

WHEREAS, the revised budget for the Project is as stipulated below;

BUDGET:		REVISED
Construction	\$	5,466,800
Utilities and Infrastructure	\$	275,000
Landscaping (included in Construction)	\$	0
Security/Access Control	\$	75,000
Telecommunication/Data	\$	75,000
Contingency* (10%)	\$	546,680
UA Project Management Fee** (3%)	\$	188,654
Architect/Engineer Fee*** (6.3%)	\$	449,080
Other****	\$	170,700
TOTAL PROJECT COST	\$	7,246,914

*Contingency is based on 10% of Construction.

**UA Project Management Fee is based on 3% of Construction, Utilities and Infrastructure,, and Contingency.

***Architect/Engineer Fee is based on 6.3% of Construction, Utilities and Infrastructure,, plus a 1.2 renovation factor and \$40,000 for additional services and reimbursables, and less a \$25,000 credit.

****Other expenses include Geotech, Construction Materials Testing, Inspections, Advertising, Printing, and other associated project costs, as applicable.

Current Package for Contract Award Approval.

NOW, THEREFORE, BE IT RESOLVED by The Board of Trustees of The University of Alabama that:

1. The Budget Revision and Reallocation for the Project are hereby approved as stipulated above.
2. The revised funding for the Project is hereby approved as stipulated above.

BE IT FURTHER RESOLVED, that Stuart R. Bell, President; Matthew M. Fajack, Vice President for Finance and Operations and Treasurer; or those officers named in the most recent Board Resolution granting signature authority for the University be, and each hereby is, authorized to act for and on behalf of The Board of Trustees of The University of Alabama in executing the aforementioned contract with WAR Construction, Inc., Tuscaloosa Alabama, for Construction of the Delta Kappa Epsilon Addition and Renovation project in accordance with Board Rule 415.

EXECUTIVE SUMMARY
PROPOSED CAPITAL PROJECT
BOARD OF TRUSTEES SUBMITTAL

MEETING DATE: November 2-3, 2023

CAMPUS: The University of Alabama, Tuscaloosa, Alabama

PROJECT NAME: Delta Kappa Epsilon Addition and Renovation

PROJECT NUMBER: 913-23-3075

PROJECT LOCATION: 976 University Boulevard, Existing Chapter Location

ARCHITECT: Clark, Geer, Latham and Associates, Inc., Mobile, Alabama

THIS SUBMITTAL:

- ☐ Stage I
- ☐ Stage II, Waiver
- ☐ Campus Master Plan Amendment
- ☐ Stage III
- ☒ Stage IV

PREVIOUS APPROVALS:

November 2022

November 2022

June 2023

PROJECT TYPE	SPACE CATEGORIES	PERCENTAGE	GSF
<input type="checkbox"/> Building Construction			
<input checked="" type="checkbox"/> Building Addition	Fraternity	~8%	614
<input checked="" type="checkbox"/> Building Renovation	Fraternity	~92%	7,317
<input type="checkbox"/> Equipment			
TOTAL		100%	7,931

BUDGET	CURRENT	REVISED
Construction	\$ 5,500,000	\$ 5,466,800
Utilities and Infrastructure	\$ 275,000	\$ 275,000
Landscaping (included in Construction)	\$ 100,000	\$ 0
Security/Access Control	\$ 75,000	\$ 75,000
Telecommunication/Data	\$ 75,000	\$ 75,000
Contingency* (10%)	\$ 560,000	\$ 546,680
UA Project Management Fee** (3%)	\$ 193,050	\$ 188,654
Architect/Engineer Fee*** (6.3%)	\$ 459,150	\$ 449,080
Other ****	\$ 170,700	\$ 170,700
TOTAL PROJECT COST	\$ 7,407,900	\$ 7,246,914
Total Construction Cost per square foot \$875		

*Contingency is based on 10% of the costs of Construction.

**UA Project Management Fee is based on 3% of the costs of Construction, Utilities, and Infrastructure, and Contingency.

***Architect/Engineer Fee is based on 6.3% of the costs of Construction and Utilities and Infrastructure, plus a 1.2 renovation factor, \$40,000 for additional services and reimbursables, and less a \$25,000 credit.

****Other fees and expenses include Geotech, Construction Materials Testing, Inspections, Advertising, Printing, and other associated project costs, as applicable.

Current Package for Contract Award Approval.

ESTIMATED ANNUAL OPERATING AND MAINTENANCE (O&M) COSTS:

(Utilities, Housekeeping, Maintenance, Insurance, Other)

0 sf x ~\$0.00/sf \$ N/A*

Total Estimated Annual O&M Costs: \$ N/A*

*O&M costs will be funded by the chapter from rental income and other charges to the fraternity members.

FUNDING SOURCE:

Chapter Funds \$ 750,000

Chapter Payables \$ 6,496,914

O&M Costs: \$ N/A*

NEW EQUIPMENT REQUIRED**Total Equipment Costs:**

N/A

PROJECT SCOPE:

The proposed Delta Kappa Epsilon Addition and Renovation project (“Project”) will include the renovation and repurposing of existing interior space and the enclosure of portions of patios and porches on the north elevation for additional square footage. This project will efficiently and effectively meet the needs of the chapter and help bring the house in line with current trends in Greek life and improve the student experience.

The current house is approximately 24,824 gross square feet (“GSF”) and 614 GSF will be added for a total of 25,438 GSF. The main front porch will be expanded and additional hardscaping at grade will be provided as necessary for ADA access. The house was originally constructed in 2006 and featured 28 beds.

Interior work will include repurposing six (6) bedrooms and three (3) bathrooms for use as new lounge and common areas; enclosing approximately 650sf of the existing north patio to increase dining and improve circulation; re-working the serving and beverage lines; reworking the second-floor bedrooms to accommodate egress to the new second-floor porch; and removing walls in the basement chapter room for better use of the space and adding a sink in the basement locker room. Additional interior work will be relocating an interior spiral staircase from the first floor to the basement to help with improved circulation on both floors.

Exterior work will include reworking the north porch and widening the front stairs and adding stairs to the east side of the porch to the basement to improve circulation in and out of the chapter house. The new north second-floor porch will extend the entire inset on the north side. A portion of this porch will be covered by the existing north portico.

The first-floor south patio will be reworked turning existing windows into new doors and a patio area with new ADA ramp access in and out of the chapter house; reworking grades at the south yard to add hard-scape and to tie into the new ramp; and reworking landscaping to meet UA standards.

In addition, mechanical, electrical, plumbing, and fire protection deferred maintenance issues will be addressed as required. The deferred maintenance liability being addressed by the project is approximately \$1 million.

PROJECT STATUS		
SCHEMATIC DESIGN:	Date Initiated	November 2022
	% Complete	100%
	Date Completed	January 2023
PRELIMINARY DESIGN:	Date Initiated	February 2023
	% Complete	100%
	Date Completed	March 2023
CONSTRUCTION DOCUMENTS:	Date Initiated	April 2023
	% Complete	100%
	Date Completed	July 2023
BID DATE: September 12, 2023		

**N/A on Stage I Projects*

RELATIONSHIP AND ENHANCEMENT OF CAMPUS PROGRAMS
<p>The Project will allow Delta Kappa Epsilon to provide their current and future members a more functional space to improve food service and event operations and to enhance the student experience by bringing the facility in line with current trends in Greek life and providing more community space.</p> <p>Underutilized space will be repurposed to provide much needed additional gathering areas and better circulation. It will enhance both functional and programmatic use of the chapter house.</p>

TABULATION OF BIDS

THE UNIVERSITY OF
ALABAMA

Project Name
Delta Kappa Epsilon House
Renovation and Addition

Bid Due
September 12, 2023 2:00 p.m. local time

Architect/Engineer
Clark, Geer, Latham & Associates, Inc.
3901 Springhill Avenue
Mobile, AL 36608
phone (251) 344-7073
fax (251) 343-9179

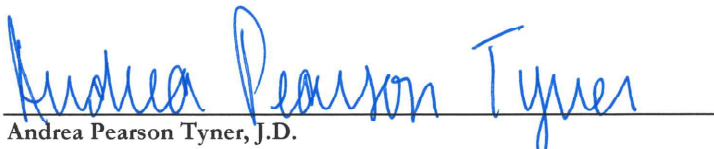
UA Project No.
913-23-3075

Bid Location
405 Cahaba Circle
Tuscaloosa, Alabama 35404

FUNDS AVAILABLE: Five million, eight hundred seventy-five thousand dollars and 00/100 (\$5,875,000.00)
BIDS SHALL BE VALID FOR: Sixty (60) Days
CONSTRUCTION DURATION: Phase I Completion Date - April 29, 2024; Phase II Completion Date - July 26, 2024

CONTRACTOR	J. T. Harrison Construction Co., Inc.	WAR Construction, Inc.
	P. O. Box 21300 Tuscaloosa, AL 35402 (205) 333-1120 GC Lic. #20245	P. O. Box 1218 Tuscaloosa, AL 35403 (205) 758-4723 GC Lic. #6418
Addenda ONE - SEVEN	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
LICENSE # ON ENVELOPE	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
BONDING COMPANY OR BID DEPOSIT	Travelers Casualty & Surety Co. of America	Cincinnati Insurance Co.
UNIT PRICE #1 <i>Description on back of page</i>	\$ 36.00	\$ 20.00
UNIT PRICE #2 <i>Description on back of page</i>	\$ 150.00	\$ 200.00
BASE BID ON PROPOSAL	\$ 6,000,000.00	\$ 5,500,000.00
ENVELOPE ADJUSTMENT	(278,000.00)	(71,000.00)
ADJUSTED BASE BID	5,722,000.00	5,429,000.00
ALTERNATE #1 <i>Description on back of page</i>	31,000.00	25,800.00
ENVELOPE ADJUSTMENT	-	-
Subtotal	5,753,000.00	5,454,800.00
ALTERNATE #2 <i>Description on back of page</i>	28,500.00	12,000.00
ENVELOPE ADJUSTMENT	-	-
TOTAL BID W/ALTERNATES	\$ 5,781,500.00	\$ 5,466,800.00

I CERTIFY THAT THIS IS A TRUE AND ACCURATE TABULATION OF THE BIDS RECEIVED ON THE CAPTIONED PROJECT.



Andrea Pearson Tyner, J.D.
Contract Administrator, UA Contract Administration
The University of Alabama

Unit Price Descriptions:

Unit Price #1: Removal and replacement of unsuitable/unconsolidated materials. Price per CYIP.

Unit Price #2: Two-Event Fencing Footings with Sleeve. Price per each footing/sleeve.

Alternate Descriptions:

Alternate #1: Bronze Handrail Mould

Alternate #2: Paint all Cornice, pediment, fascia, and stucco arches above south windows.

September 12, 2023

Michael Hand
Project Manager, Construction Administration
The University of Alabama
Box 870186
Tuscaloosa, AL 35404
Re: Delta Kappa Epsilon Addition & Renovation 913-23-3075
CGL #22103, BC# 2023232

Dear Mr. Hand,

Bids for Delta Kappa Epsilon Addition & Renovation 913-23-3075 were publicly opened on Tuesday, September 12, 2023 at 2:00 PM local time.

WAR Construction, Inc. was the responsible and responsive low bidder on the project. The available funds for the project were identified as \$5,875,000.00. Their adjusted base bid was \$5,429,000.00. The base bid with Alternate #1 total was \$5,454,800.00 and the base bid with Alternate #2 total was \$5,441,000.00 making the total bid including all alternates \$5,466,800.00.

If any alternates are accepted the low bidder does not change.

Based on the defined UA qualification criteria, WAR Construction, Inc. was on the prequalified list of bidders without further action required. Therefore, it is our recommendation that WAR Construction, Inc. be awarded a contract for the above-mentioned project.

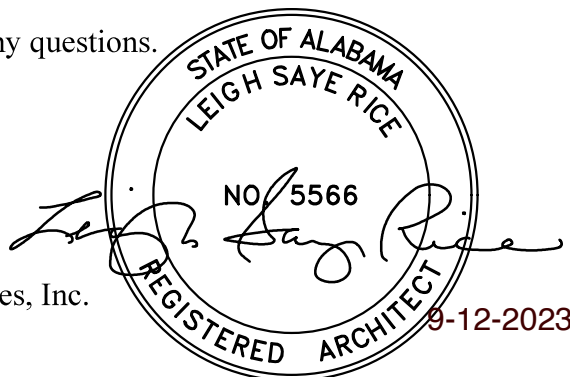
Please Contact me if you have any questions.

Sincerely,



Leigh Saye Rice
Architect

Clark Geer Latham and Associates, Inc.



Cc: Richard Pipkin, Hinton Howell, Andrea Tyner, Leigh Ann Huguley, Scott Bowman, [File](#)

DELTA KAPPA EPSILON ADDITION & RENOVATION

Approved June 9, 2023



DELTA KAPPA EPSILON ADDITION & RENOVATION

LOCATION MAP



**DELTA KAPPA EPSILON
PSI CHAPTER**

	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2053-2054
House Income:						
Room Rent	\$ 220,500.00	\$ 226,400.76	\$ 232,459.44	\$ 238,680.24	\$ 245,067.53	\$474,261.75
Parlor Fees	\$ 235,600.00	\$ 241,904.85	\$ 248,378.43	\$ 255,025.24	\$ 261,849.93	\$ 506,739.54
Housing & Furnishing Fees	\$ 145,750.00	\$ 145,750.00	\$ 145,750.00	\$ 145,750.00	\$ 145,750.00	\$ 145,750.00
Meal Plan Fees	\$ 645,250.00	\$ 662,517.43	\$ 680,246.94	\$ 698,450.92	\$ 717,142.05	\$1,387,833.98
Total Income	\$ 1,247,100.00	\$ 1,276,573.04	\$ 1,306,834.81	\$ 1,337,906.40	\$ 1,369,809.50	\$ 2,514,585.26
Operating Costs:						
Utilities	\$ 108,400.00	\$ 111,300.87	\$ 114,279.38	\$ 117,337.59	\$ 120,477.64	\$ 233,151.81
Custodial Services	\$ 102,000.00	\$ 104,729.60	\$ 107,532.26	\$ 110,409.91	\$ 113,364.57	\$ 219,386.39
Repairs & Maintenance	\$ 75,000.00	\$ 77,007.06	\$ 79,067.84	\$ 81,183.76	\$ 83,356.30	\$ 161,313.52
Food Service	\$ 350,000.00	\$ 359,366.29	\$ 368,983.23	\$ 378,857.53	\$ 388,996.07	\$ 752,796.42
Cable & Internet	\$ 21,500.00	\$ 22,075.36	\$ 22,666.11	\$ 23,272.68	\$ 23,895.47	\$ 46,243.21
Insurance	\$ 15,000.00	\$ 15,401.41	\$ 15,813.57	\$ 16,236.75	\$ 16,671.26	\$ 32,262.70
Accounting & OH	\$ 18,000.00	\$ 18,481.69	\$ 18,976.28	\$ 19,484.10	\$ 20,005.51	\$ 38,715.24
Furnishings Expense	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00
Miscellaneous Expenses	\$ 50,000.00	\$ 51,338.04	\$ 52,711.89	\$ 54,122.50	\$ 55,570.87	\$ 107,542.35
Total Operating Costs	\$ 754,900.00	\$ 774,700.34	\$ 795,030.55	\$ 815,904.82	\$ 837,337.70	\$ 1,606,411.64
Net Income Before Debt	\$ 492,200.00	\$ 501,872.70	\$ 511,804.26	\$ 522,001.58	\$ 532,471.80	\$ 908,173.62
Add: Cash Reserves						
Debt	\$ 440,645.53	\$ 440,645.53	\$ 440,645.53	\$ 440,645.53	\$ 440,645.53	\$ 440,645.53
Less: Renewals and Replacement Reserves	\$ 24,074.00	\$ 24,562.22	\$ 25,063.51	\$ 25,578.22	\$ 26,106.70	\$ 45,070.05
Principal Reduction						
Net Income (Loss)	\$ 27,480.47	\$ 36,664.95	\$ 46,095.21	\$ 55,777.83	\$ 65,719.57	\$ 422,458.04
Cumulative Net Income (Loss)	\$ 27,480.47	\$ 64,145.41	\$ 110,240.62	\$ 166,018.45	\$ 231,738.03	\$ 654,196.06

Assumptions

Approximate GSF of New House: TBD

Estimated project cost: \$ 7,246,914.00
Chapter Reserve Funds & Donations: \$ 750,000.00
Chapter Payable: \$ 6,496,914.00

Interest on loan is 5.50%. Term of loan is 30 years.

Assumes spaces to be on line August 2024.

Rental Income is computed using a bed capacity of 21 at \$5250 per semester with a 2.7% annual increase.

Parlor Fees are charged non-resident members at a rate of \$950 per semester with a 2.7% annual increase.

Housing & Furnishing Fees are charged annually to new members at a rate of \$500 and \$850 to all members with no anticipated increases.

Meal Plan Fees are charged to all members at a rate of \$2,225 per semester with 2.7% annual increase.

Membership is based on 145 members in Fall 2024, 45new members per year.

Plan for Reserves:

4% of Gross Revenue (less Meal Plan Fees) Set Aside for Reserve Fund

Cumulative profits to be used as long term reserve funds

Operations:

Occupancy is projected at a level of 100% for each year. Any shortfall will be charged back to undergraduate chapter.

Expenses:

Property insurance reflects rate for a 'new sprinkled property', increasing at 5% each year.

All other expenses increase at a rate of 2.7% per year.

-Maintenance

In addition to building a reserve to cover long-term repairs, the operating budget reflects a line item for maintenance-buildings and equipment. This line item is intended to cover minor repairs and unexpected defects.

Current membership: 140
Current Beds: 28
Current GSF: 24,824