

The University of Washington's Upcoming Capital Program

Society of American Military Engineers

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Agenda

- > Our Five-Year Capital Plan and Funding Plan
- > Deferred Maintenance Backlog and its Implications
- > Selected Projects
- > Business Diversity and Equity



Agenda

1. Our Capital Budget
2. Some Context- Deferred Maintenance, Energy Renewal, Growth
3. Upcoming Projects and Procurement Approaches
4. Inclusion

Five-Year Capital Budget- *Regents approve each June*

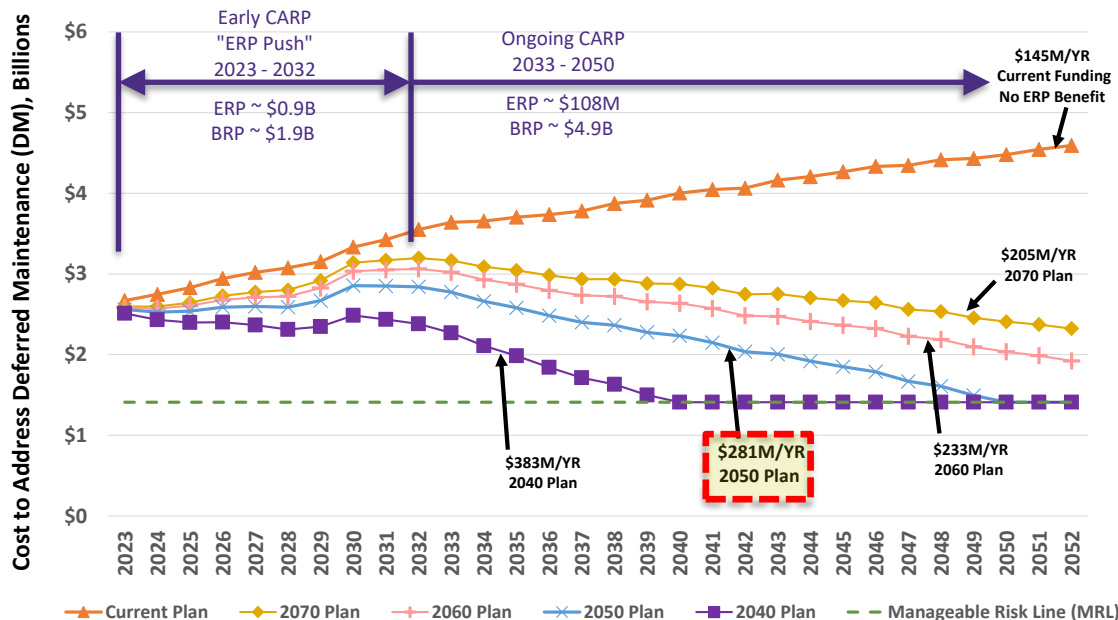


<https://uw-s3-cdn.s3.us-west-2.amazonaws.com/wp-content/uploads/sites/12/2023/06/01163758/2023-06-B-3.pdf>



Some Context

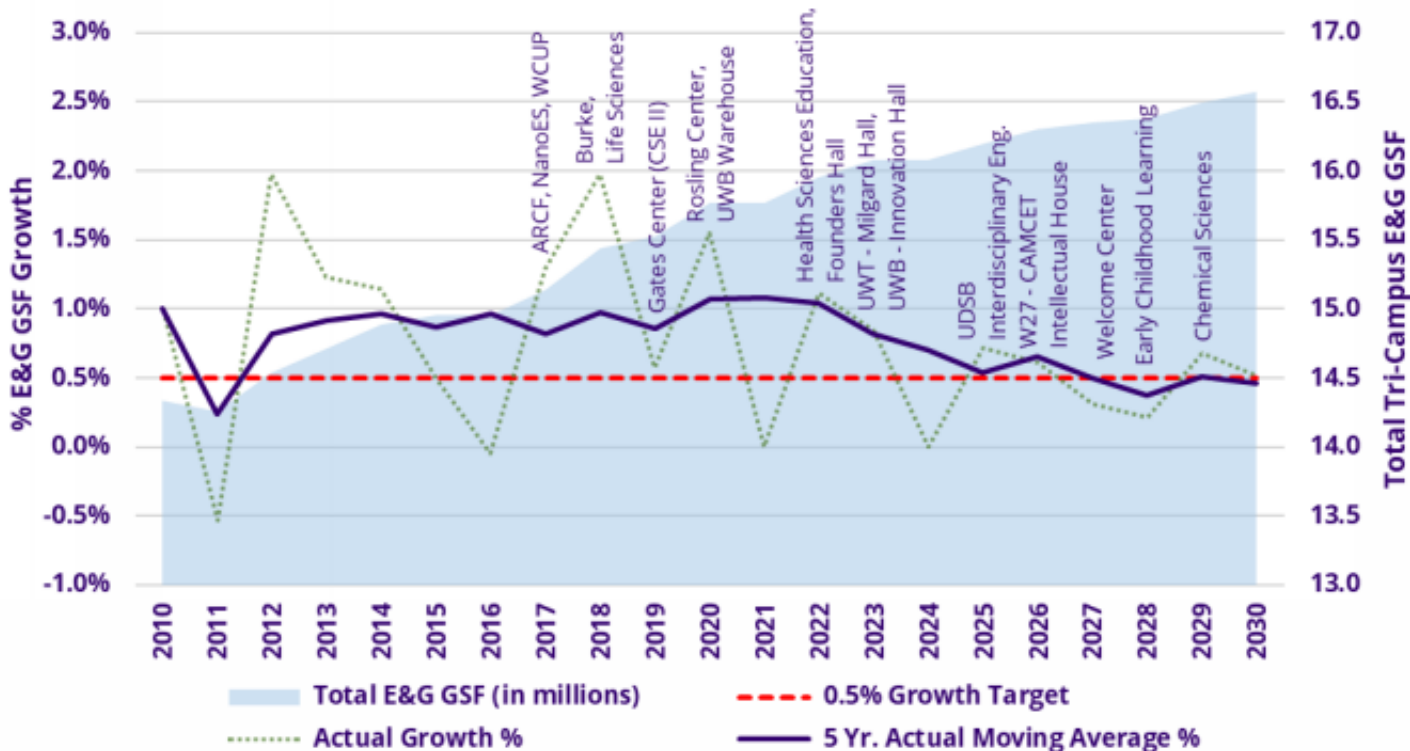
- Substantial and worsening Deferred Maintenance
- Need to renew Campus Energy Infrastructure
 - In planning stage of Campus Asset Renewal Program (CARP)
 - Building Renewal Program + Energy Renewal Program



“No Net New Square Footage”

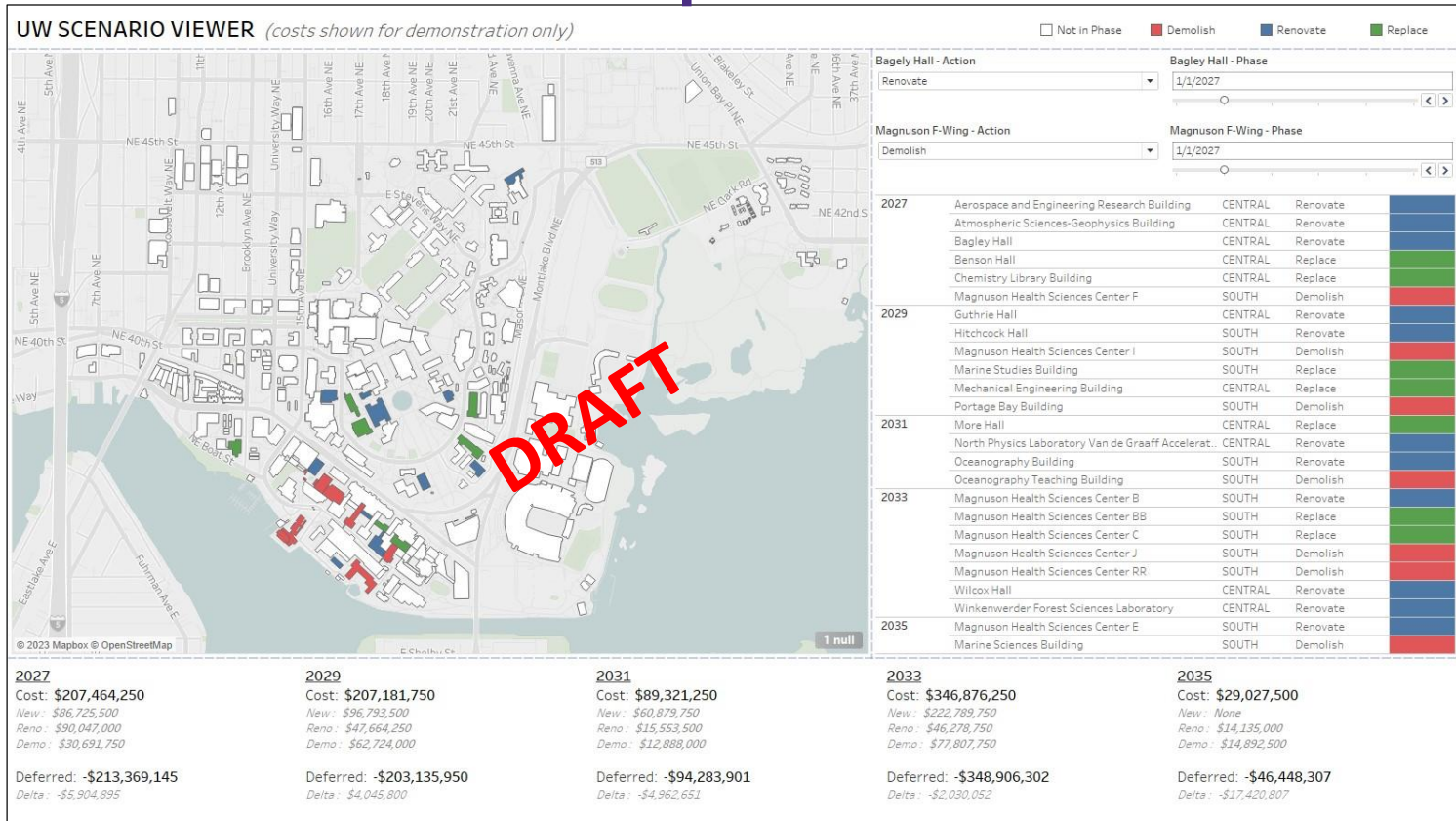
Caveats:

- Specific to Seattle Campus
- Offset new square footage with demolition of our worst buildings



Building Renewal Program (BRP)

Utilize data and multiple criteria for decision-making








Multiple funding sources and change in priorities will be needed



Energy Renewal Program (ERP)

The ERP generates an Implementation Plan to execute the 5-part UW Clean Energy Strategy

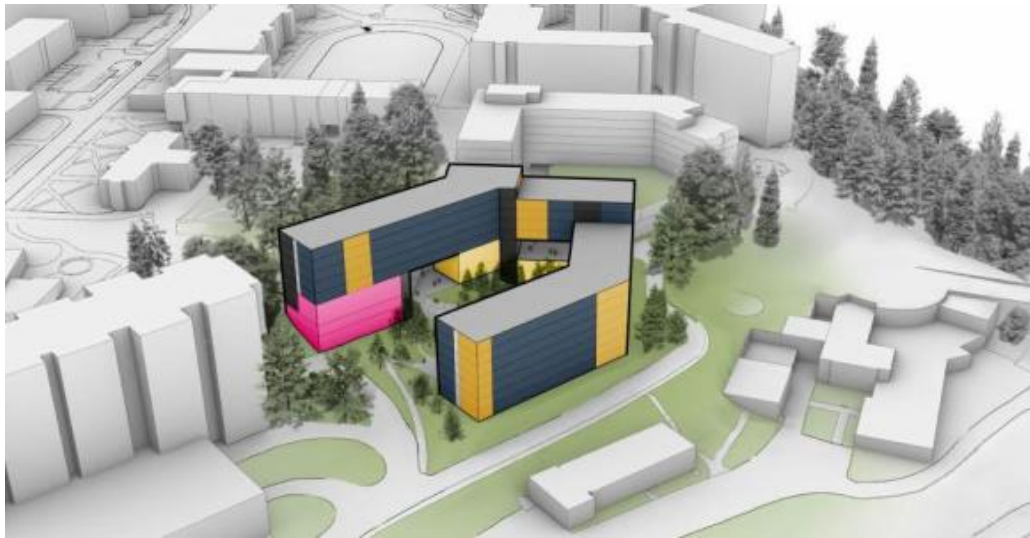
ENERGY SYSTEM ISSUES	1 ENERGY EFFICIENCY <i>Expand metering, upgrade controls, data analytics and green revolving fund.</i> 	2 CONVERT TO HOT WATER <i>Convert from steam to hot water heating.</i> 	3 CENTRAL COOLING <i>Replace inefficient chillers, use lake water for cooling, and add thermal storage.</i> 	4 ELECTRIFY HEATING <i>Use heat pumps to extract heat from cooling towers, sewer and lake water.</i> 	5 EMERGING TECHNOLOGIES <i>Continuously evaluate emerging technologies for full decarbonization.</i> 	GOAL 100% CLEAN ENERGY
Greenhouse Gas Emissions	15% reduction in GHGs	20% reduction in GHGs	no additional reduction	45% reduction in GHGs	20% reduction in GHGs	100% reduction in GHGs
Energy Consumption	30% energy reduction	20% energy reduction	10% energy reduction	15% energy reduction	?	75% Reduction in Energy Use
Electrical Capacity Constraint	2% more capacity	2% less capacity	25% more capacity	30% less capacity	?	Accommodate Capacity Constraint
Aging Utilities Infrastructure	✓	✓	✓	✓	?	Resilient Infrastructure

Intent is to obtain federal and state energy-specific \$ for bulk of funding



Our “Major” Projects

- **FY 24-28 Capital Budget has \$2.3B in new projects**
- **Above \$15M, typically new buildings or major renovations**
- **Progressive Design-Build, DBB, JOC, GCCM- we use them all**
- **Selective use of Developer-led projects**



Haggett Hall Concept



Welcome Center

- > Partnership with University Bookstore and UW Alumni Association
- > Developer constructs Tower and Podium Shell and Core; Welcome Center TI is UW Capital project



Chemical Sciences Building

- Predesign Study in progress, ~\$190M project
- Partial Renovation of Bagley Hall is companion project
- Currently seeking design funding



Key Tools: Target Value Design

BUDGET UPDATE

- Target Budget: **\$53,612,861 total***
- 30% - 40% Design: **\$53,782,458 total***
- January 26 Variance: **\$1,025,433 / 1.94%**
- Current Variance: **\$169,597 / 0.32%**
- Building Area: **79,519 GSF**

*(\$1,765,886) shelled space target is included

Taxes, insurance and contingencies are not included

Project Definition to 30-40% Target Variance



“Minor” Works Projects

- \$30-50M a year, with focus on infrastructure and program improvements
- Combination of State and UW Central funding
- Many projects are under \$2M



Clinical Projects

- Ultimately \$40-60M a year, with focus on infrastructure and clinical improvements aimed at additional capacity or services
- UWMC debt funding
- Mix of project sizes, many below \$5M
- Montlake & Northwest campuses, plus clinics



Smaller Project Procurement

Contracting Tools and General Approach:

- Job Order Contracting up to \$500K per work order
- Design/Bid/Build and GCCM \$500K-\$2M
- Progressive Design/Build with GMP often used > \$2M
- Small Works and Critical Patient Care Rosters
- Energy Services Company (ESCO) roster
- Master Term Agreements and individual A/E selections
- <https://facilities.uw.edu/projects/business-opportunities/solicitations>



Consulting and Professional Services

General Approach:

- Master Service Agreements- 4 years, with 1 year renewal; annual solicitations
- Diverse business focused, women and minority owned firms currently make up substantial portion of our agreement holders.
- Use of DES Consultant Roster – limited
- Advertise in the DJC, UWF Bidding Opportunities.
- <https://facilities.uw.edu/projects/business-opportunities/solicitations>



Business Diversity and Equity

- Executive Sponsor of the enterprise-wide program which includes all primary business units
- Seek to identify and leverage buying opportunities
- Focus on creating equitable opportunities in all aspects of University business

FY2023 saw \$240M in combined spend to diverse firms, \$40M for capital construction.



UW Facilities

UNITS AND KEY PARTNERS

- > Finance & Administration (includes Procurement)
- > Maintenance & Construction
- > Campus Energy, Utilities, and Operations
- > Campus Architecture and Planning
- > Project Delivery Group (major construction)
- > Real Estate
- > Transportation Services
- > School of Medicine, Housing & Food Services, Athletics, Academic Units

Contracts for **public works** and **professional services**



Business Diversity and Equity

Consulting and Construction Categories We Track

State Certifications

Minority (small)
Women (small)

Self-Identification

LGBTQIA
Women-owned (any size)
Minority-owned (any size)

Federal Hwy

Minority
Women
(NWMMSDC)
Disadvantaged

Northwest Mt Minority Supplier Diversity Council

Minority

Federal (general)

Veteran (& disabled)
Small (SBA)
Disadvantaged, general

Women Business Enterprise Council (WBEC)

Women



Capital Construction Spend

Spend with Woman and Minority-Owned Firms

		FY21	FY22	FY23
1	Available Construction Spend	\$249M	\$261M	\$382M
2	Direct Spend W/M	\$4M	\$4M	\$2M
3	Indirect Spend W/M	\$29M	\$36M	\$41M
4	Total W/M Spend (lines 2+3)	\$33M	\$40M	\$43M¹
5	% of Construction Spend	13%	15%	11%
6	Number of W/M firms paid	53	97	120

¹Indirect Spend across all diverse classifications for construction, including certified small and veteran-owned businesses, was \$51M, up from \$48M in FY22. 84% of monies paid to subcontractors went to WMBE firms (including self-certified).



Thank You!

