

NC State University HUB Advisory Sub-Committee Meeting
Construction Management Conference Room
March 4, 2004
1:30 to 3:30 p.m.
MINUTES

Advisory Committee Members Present:

External: Kenneth Martin
 Anthony Hunt, Special Panelist

Internal: Mike Harwood
 Marvin Williams

Not Present: Jill B. Smith

Committee Support Staff:

Sharon Beavers, HUB Construction Program Office Assistant

Marvin Williams opened the meeting by asking for the approval of minutes from the previous meeting. Minutes were approved.

Anthony handed out Findings and Recommendations from a recent disparity study conducted by the North Carolina Department of Administration .

Mike Harwood gave out several spreadsheets containing summaries of designer selection projects. He explained the information on each sheet.

Another spreadsheet that was passed out containing results from a questionnaire that was sent to all designer firms on the NCSU designers database. There was a group discussion pertaining to this information.

The spreadsheets and information shared provided information for another group discussion lead by Mike Harwood in finalizing the formula for a designer goal. The following are drawings used to come to the conclusion.

5 million

16 million = 31% = Amount designers desire to do at NCSU

18% of 32% = 5.8%

All Universities = 9.55

Total Billings = 57.49 = .1661 or 16.6% Cash Flow Today (Current Billings from Universities)

Desired Univ. Billings = 16.17

Desired Total = 83.69 = .1932 or 19.32% Cash Flow Tomorrow (Desired Participation)

Bond 468 NCSU
2500 All Bond = 18.72%

18.72% of 19.32% = 0.0326 or 3.62%

\$46,800,000
.0362%

1,692,000 / 6 years = \$282,103 (annual design fees) / yr @ NCSU (all hub)
5.6 (annual desired fee from NCSU)

After considering and factoring in the items listed below to the 5.6%, everyone felt that at 10% goal would be reasonable.

Geography
Capacity Concentrated
Add OESAD
Add R&R
Self-Liquidated

It was decided that the formula should be reviewed in response to the following factors.

Market/Economy
Growth of minority community
Change in NCSU %
Change in NCSU Construction Activity
Additional survey verification

NC State University HUB Advisory Committee Meeting
Primrose Hall Conference Room
March 9, 2004
12:00 – 2:00 p.m.
MINUTES

Advisory Committee Members Present:

External: Jill B. Smith
Willy Stewart
Kenneth Johnson
Tonita F. Lipscomb
Kenneth Martin

Internal: Ted Devens
Bob Fraser
Mike Harwood
Charles Leffler
Marvin Williams
Carol Woodyard

Others Present: Anthony Hunt, Principal Millennium 3D Design Group, and Chairperson
Minority Business Capital Projects Advisory Board
Shari Harris, Asst. VP Finance Office of the President UNC-GA,
Member of Minority Business Capital Projects Advisory Board

Committee Support Staff:

Sharon Beavers, HUB Construction Program Office Assistant

Advisory Committee Members Not Present:

External: Jessie Callis

HUB Advisory Committee meeting was opened by Marvin Williams, committee members introduced themselves to the guests present.

Minutes of the October 28, 2003 meeting was reviewed by Carol Woodyard and approved by the committee.

A copy of SB914 recommendations submitted by North Carolina State University was distributed to the committee and reviewed by Carol Woodyard.

Anthony Hunt gave an overview of recommendations submitted to the Minority Business Capital Projects Advisory Board by entities affected by SB914.

A plan to compile and categorize the recommendations and choose the ones that can be done most quickly and effectively was explained by Shari Harris.

HUB certification questions were directed to Anthony Hunt and Shari Harris.

A disparity study was recently completed and Shari Harris shared the findings with the committee. She also answered questions regarding the study and gave copies from a portion of the study that showed the availability of minority contractors for each region of the state.

The HUB Designer Subcommittee findings and the process utilized to arrive at a designer participation goal was presented and discussed in detail by Mike Harwood. Based on the subcommittee study, the goal for designer participation is 10%.

HUB Advisory Committee's next scheduled meeting is Tuesday, May 25, 2004 at 12:00 noon.

NC State University HUB Advisory Committee Meeting
Construction Management Conference Room
May 25, 2004
12:00 – 2:00 p.m.
MINUTES

Advisory Committee Members Present:

External: Kenneth Johnson
 Tonita F. Lipscomb
 Kenneth Martin
 Jill B. Smith
 Willy Stewart

Internal: Ted Devens
 Bob Fraser
 Mike Harwood
 Marvin Williams
 Carol Woodyard

Committee Support Staff:

Sharon Beavers, HUB Construction Program Office Assistant

Advisory Committee Members Not Present (Excused):

External: Charles Leffler
 Henry Richardson

Lunch was provided.

Minutes of the March 9, 2004 meeting were reviewed by Carol Woodyard and approved by the committee. Carol also delivered regards from Mr. Leffler and his apology for not being able to attend.

Statistics for CM at Risk Projects, Bond and Non-Bond Projects was reviewed by Marvin Williams.

Suggestions were made to include data for Single Prime projects to the Statistics Spreadsheet.

The group discussed the escalation and shortage concrete and steel and it affects on construction projects.

Ted Devens discussed a recent selection of bidder for informal projects and statistics to date for informal projects.

Kenneth Johnson asked if there was a reason for the percentage of African American participation on informal projects to be so low and what should be done to enhance diversity in this area.

Ted Devens answered the question by discussing reasons for the low percentage such as the contractors not submitting bids. Ted also explained the process of selection for Time and Materials projects.

After a group discussion on the topic it was suggested everyone think about the topic and bring ideas to increase participation to the next meeting.

Kenneth Johnson discussed Construction Management at Risk Partnering and answered questions regarding the subject.

Design opportunities (COP Funds) were discussed by Mike Harwood.

HUB Advisory Committee's next scheduled meeting is July 27, 2004.

NC State University HUB Advisory Committee Meeting
Construction Management Conference Room
July 27, 2004
2:00 – 3:30 p.m.
MINUTES

Advisory Committee Members Present:

External: Henry Richardson
 Kenneth Johnson
 Kenneth Martin
 Jill B. Smith

Internal: Ted Devens
 Bob Fraser
 Marvin Williams
 Carol Woodyard

Committee Support Staff:

Sharon Beavers, HUB Construction Program Office Assistant

Advisory Committee Members Not Present (Excused):

External: Charles Leffler
 Mike Harwood
 Tonita F. Lipscomb
 Willy Stewart

Marvin Williams welcomed everyone and introduced Henry Richardson as a new member. All members present introduced themselves to Mr. Richardson.

Carol Woodyard informed everyone that Mr. Leffler has been promoted to Vice Chancellor and therefore will no longer be a member of the HUB Advisory Committee. She also let the group know that he sent his regrets for not being able to attend his last meeting.

The committee reviewed and approved the minutes for the May 25, 2004 meeting.

In the previous meeting, a question was raised regarding low participation of minorities on informal projects and what might be done to increase utilization. In response, Ted Devens discussed four areas of concentration that he feels may be worth pursuing in hopes of improving minority participation.

1. Improve participation of existing HUB contractors by contacting those who are less familiar with NCSU and assuring them of our commitment that, once a project is bid, the

- lowest bidder will get the work and the University will work with the contractor to help assure their success.
2. Consider substituting contractors onto active contractor lists as needed when shortages occur, as opposed to waiting until the end of a year for the next selection committee. Judgment required, as this could threaten integrity of the bid system.
 3. Invite “good” contractors that are known to NCSU by utilizing compiled list of MBE’s that have worked on formal projects. Interview project managers and filter the list for good contractors to solicit.
 4. Have Kenneth Johnson provide a filtered list of known contractors that do good work in the discipline areas that informal contractors use. From this list, contractors must pass an initial screening and complete an information packet. The contractors could then be considered at the next selection committees in November/December 2004. Kenneth Johnson agreed to provide this list.

Marvin Williams discussed the possibility of CM @ Risk Contractors teaming with HUB contractors in order to have HUB participation on CM @ Risk projects without being involved with 1st and 2nd tier packages. It is anticipated that once a CM @ Risk is short-listed, they will be given a package outlining a formula for success by partnering (mentoring or teaming) with a HUB firm. Marvin asked for assistance in preparing the language for the package that will be presented to the CM @ Risk Contractors. The group discussed ideas on the subject.

Marvin Williams handed out a spreadsheet and shared statistic on the latest CM @ Risk project, Reynolds Coliseum, Case, Weisiger-Brown Athletic Center Renovations being done by R. N. Rouse & Company, Inc.

Bob Fraser reported on the following upcoming projects.

1. Riddick Labs (Suitt Construction Company) – Over budget and in the process of reconciling cost between Construction Company and Architect-Cost approx. \$18,000,000
2. Williams/Gardner Renovation (Whiting Turner) – NCSU just received preconstruction proposal that has been executed through State Construction. Cost between \$20,000,000 and \$23,000,000.
3. Becton, Berry Bagwell (Centex Construction Company) – Costs are currently being reconciled. Project to be done between December 2004 and August 2005 and cost approximately \$13,000,000.
4. Polk Hall (CM to be determined) Project on hold. Need to determine the best plan to empty the building and house the occupants for short term in order to do the renovation efficiently and mostly unoccupied. Cost approximately \$15,000,000.

Marvin gave everyone a schedule and an update on the Contractor Business Academy being held each Tuesday night for sixteen weeks. He feels the participation has been very good and the contractors are benefiting from the material covered in the sessions.

He made everyone aware that the sponsoring CM at Risk Companies will have a networking session on August 3, 2004 thirty minutes prior to class beginning. The news media from Chapel Hill also plans to attend.

Ken Martin requested a list of Look Ahead for Design projects and Kenneth Johnson requested a Look Ahead for Repair and Renovation. Bob Fraser stated he would provide this information.

Kenneth Johnson complimented and thanked the committee for the efforts they are making to see that the total community participates in the development process.

HUB Advisory Committee's next scheduled meeting is September 28, 2004 at 12:00 pm.

**NC State University HUB Advisory Committee Meeting
Facilities Planning and Design Conference 301
November 16, 2004
12:00 – 2:00 p.m.
MINUTES**

Advisory Committee Members Present:

External: Jill B. Smith
Henry Richardson
Kenneth Johnson
Tonita F. Lipscomb
Kenneth Martin

Internal: Ted Devens
Bob Fraser
Mike Harwood
David Rainer
Marvin Williams
Carol Woodyard

Others Present: Dave Simpson, Carolina AGC
Shari Harris, Asst. VP Finance Office of the President UNC-GA
Gordon Rutherford, Office of the President UNC-GA
Johnny Rankin, Centex Construction Company
Ron Leeper, R. J. Leeper Construction Company

Committee Support Staff:
Sharon Beavers, HUB Construction Program Office Assistant

Advisory Committee Members Not Present:

External: Willy Stewart

Carol Woodyard opened the HUB Advisory Committee Meeting and introduced David Rainer as Interim Associate Vice Chancellor for Facilities. Carol also had the committee members and guests to introduced themselves.

Committee members reviewed and approved the minutes of the July 27, 2004 meeting. Marvin Williams reviewed HUB statistics and gave a printout of the information to everyone showing the HUB totals for the most recent CM at Risk projects, North Campus Chilled Water (Gilbane) and Schaub Renovation (Suitt) and also the Bond and Non-Bond totals.

Mike Harwood updated the group on the Six Year Capital Project Plan (Bond Phase II), which included 39 projects. He gave everyone a copy of a spreadsheet and a description of each project. Mike Harwood and Bob Fraser answered questions regarding this topic.

Mike Harwood also handed out spreadsheets and discussed Designer Selection for projects starting with the calendar year of 2002 until current.

An update of Informal Projects was given by Ted Devens. He discussed the participation of minority and women owned firms on the informal projects.

Marvin Williams discussed the possibility of CM at Risk companies forming relationships as mentors, partnerships, or joint ventures to minority companies to help them progress in order to compete with prime companies.

He asked the group to discuss how this can be accomplished and which form of relationship would best describe what NCSU is trying to achieve.

Shari Harris defined the different terms, teaming, joint venture and associations and spoke of other campuses that are working toward same goal.

Gordon Rutherford recommended that this become part of the review process and CM at Risk companies should be made aware. He also explained that we could not bring the CM at Risk companies and the minority firms together, but they would have to form their own bond.

Ron Leeper suggested the companies that are considering work together need to get to know each other. He also discussed the benefits of partnering and gave some examples of his association with Centex. He explained some of the advantage for him in choosing to be an association as opposed to joint venture. One was the freedom he had to do other jobs on his own and not strictly work with Centex. Another reason for choosing an association was, if he decided to joint venture he would also carry a portion of the responsibility of risk, as an association he does not have that responsibility.

Johnny Rankin felt the benefits of a relationship is a two way street. He gave an example stating one benefit to the CM at Risk is, many times a CM at Risk may need 30 estimators and other times they may only need 2. By being part of an association with a minority company, the minority firm is able to help provide the resource for additional estimators when needed.

Bob Fraser looked at the long-term goal and felt everyone would benefit. He explained that by having an assistant superintendent from the minority company team with the CM at Risk and become exposed to all the levels of the process, from the beginning of the project to the end, this would include pre-qualification of HUB contractors, going to the pre-construction, going through the financials, writing scopes of work, writing the contracts used for the subcontractors, this person would not only become an asset to the minority firm, but would also increase the minority participation.

Kenneth Johnson recommended we bring together the HUB firms that are capable and interested in becoming CM at Risk as well as non-HUB firms to see what their experiences have been and what their recommendations would be. She also suggested we hear from some on the HUB firms that are interested in teaming, joint venturing, or becoming associations, etc.

The HUB Advisory Committee's next scheduled meeting is Tuesday, January 25, 2005 at 2:00 p.m.