

Capital Programs Annual Report

Fiscal Year 2020

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SYSTEM

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Extraordinary™**

University Office of Capital Programs

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Index

About Us	04
Mission	05
Services We Provide	06
Leadership	07
Looking Ahead	08
Diversity Participation	09
Project & Financial Data FY2020	10
Highlighted Projects	11
Unit Operations	12



About Us

What we do and who we serve

welcome

The University Office of Capital Programs and Real Estate Services (Capital Programs) oversees the delivery of major capital construction projects at the University of Illinois System's three universities in Chicago, Urbana-Champaign and Springfield.

Capital Programs serves as a conduit between university-operated capital construction units and the University of Illinois Board of Trustees, the Illinois Board of Higher Education and the Capital Development Board.

The office was created to help craft policy and advise on regulatory matters.

In addition to policy, our office serves as Professional Services Consultant selection committee members, coordinates system-wide capital planning initiatives, and ensures adherence to policy on Board of Trustee capital items.

We are a small unit, comprised of professionals with backgrounds in engineering, architecture, business and finance.

Mission

Guiding Standards



Develop policy

Capital Programs ensures that the capital delivery process throughout the University of Illinois System adheres to university and State of Illinois policy. Capital Programs works closely with other system offices, university construction units and the State of Illinois Capital Development Board and other state agencies.



Continuous improvement

We work closely with university construction units to identify opportunities for improvement in both policy and practice. Twice annually, Capital Programs solicits customer feedback regarding project and financial management software. We then use that feedback to implement change and improve systems.



Speedy response

In response to COVID-19, our office quickly implemented an electronic bid delivery system so that construction activity did not face additional delays. Prior to the electronic option, contractors were required to submit paper packets with bid details. The new process allows staff to continue remote work while increasing accuracy in bid calculations.

Responsive, timely, subject matter experts

Our Services

Capital Programs facilitates the capital delivery process throughout the University of Illinois System.



Capital Delivery

Whether it's reviewing front end documents, contracts and bid submissions or providing training for new staff, Capital Programs is responsible for providing policy direction and education for our three universities.



Professional Services Consultant Selection

Our staff sits on architect and engineer selection committees for major capital projects. The university complies with the Qualifications Based Selection guidelines required by Illinois Statute.



Software Management

It is important for managers to have software that tracks project schedules, budgets, and contracts. Capital Programs provides project management, financial management, and vendor maintenance software to store and route project information.



Capital Project Priorities

Since 2018, Capital Programs has collected capital project priority information. System-wide information is compiled and reviewed to ensure it is in accordance with our capital plan.



Board Agenda Items

Projects with budgets greater than \$5 million require Board of Trustee approval. Capital Programs reviews and edits capital board items for project and budget, construction contract, and PSC agreement approvals.



Master Planning

Capital Programs works with each university in developing and revising campus master plans. The plans, as approved by the Board of Trustees, define how space and buildings change and grow at our institutions.

Welcoming an Experienced Leader in Construction Delivery.

New Leadership

We are excited to introduce our new Assistant Vice President of Capital Programs and Utility Services, Michael A. Wilson II.

Mike joins the University of Illinois from the Capital Development Board (CDB) where, for the past nine years, he has served as Deputy Director. In that role, Mike was responsible for overseeing Construction, Fair Employment Practices, Operations, Fiscal and Procurement Departments, and Professional Services.

Prior to CDB, Mike served in the Illinois Office of Management and Budget (OMB) and managed the \$31 billion Illinois Jobs Now! capital construction program. He began his career with the office as a budget analyst from 2005 to 2008.

Wilson is a graduate of Illinois Wesleyan University and received a Masters of Public Administration degree from the University of Illinois at Springfield. He lives with his wife, an Urbana-Champaign alum, and two sons in Frankfort, Illinois.

Future Initiatives



Capital Delivery Process Improvements

2019 consulting engagement garnered valuable recommendations for change.

Capital Programs engaged with Ernst & Young in 2019. The goal of the engagement was to review the capital delivery process and find ways to improve, streamline and redefine current practices. Ernst & Young delivered a comprehensive report with several recommendations. Collectively with all three universities, the recommendations were prioritized and Capital Programs began work on implementing change.

Capital Project Audits

- 01.** FTI Consultants has been performing capital project audits for a sample of future and current capital projects.

Approval Thresholds

- 02.** Capital Programs is reviewing approval threshold levels for contracts, change orders and amendments to lessen the administrative burden.

Contractor Evaluation System

- 03.** Designing an online, easy-to-use evaluation system will allow project teams to quickly and adequately review contractor performance.

Regulatory Change

- 04.** The current multi-prime bid mandate and design-bid-build delivery structure reduces efficiencies. Capital Programs is working with state officials to reform the requirements.

Diversity in Participation is a Guiding Goal

We support minority, women, and veteran owned businesses.

A driving principal in the university's capital delivery methodology is the utilization of diverse firms. Our Chicago university has a goal of 30% participation from minority, women and veteran owned businesses. The Springfield and Urbana-Champaign universities have a participation goal of 20%.

Diverse vendor participation levels continued to increase. System-wide, capital spend to diverse vendors totaled \$56 million for fiscal year 2020.

Every decision you make in business has a financial consequence.

29% 

Increase in capital spend to diverse vendors between 2015 and 2020

45% 

Diverse spend directed to minority business enterprises



Minority business enterprise spending on Black-owned companies.



Capital construction diverse spending at UIC



Capital construction diverse spending at UIUC



Capital construction diverse spending at UIS

Project and Financial Data FY2020

Capital Data

Capital construction activity continues

In Fiscal Year 2020, the University of Illinois System approved more than \$168 million in capital projects.

Of the 148 projects approved in 2020, 18 were deferred maintenance projects and 73 were remodeling projects, many of which also address deferred maintenance needs. These project approvals reflect a \$68 million investment in improving our existing infrastructure.

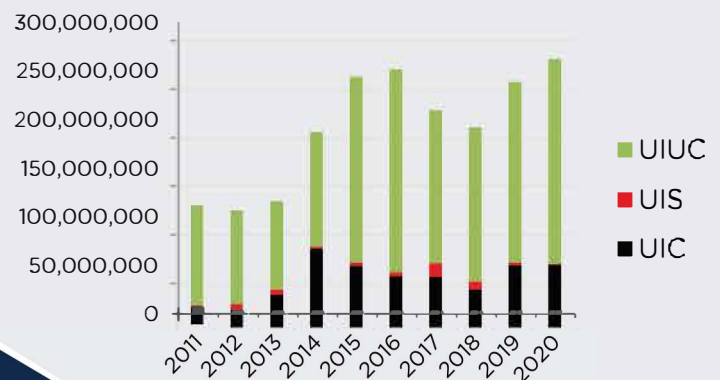
\$168 M

In total capital project budgets approved

\$288 M

In overall capital spending

Capital Spend by University



More than \$288 million in capital spend occurred in 2020. Spend typically lags behind approval dates and project spending peaks during construction. Accordingly, more than half of current year spend was on projects approved between 2016 and 2018.

Highlighted Projects

In addition to institutional funding, fiscal year 2020 saw large scale investment in Public-Private Partnerships and State of Illinois appropriated projects.



Altgeld Hall/Illini Hall

The Board of Trustees approved the design for both the Altgeld Hall remodel and the construction of the new Illini Hall in May 2019. \$140 million of the overall project budgets will be funded through the State of Illinois.



Computer Design Research & Learning

Designed to house the Computer Science program at UIC and provide much-needed classroom space, this \$117 million project will be managed by the Capital Development Board.



Library Learning Student Success Center

The LLSSC will house library services and collections, Information Technology Services, Client Services and more at UIS. This \$35 million state-funded project will serve as a nucleus for advanced and innovated teaching, learning and collaboration



Campus Instructional Facility

This \$75 million public-private partnership (P3) endeavor will provide more than 120,000 square feet of instructional space on the Engineering Quad at UIUC.



Illinois Street Residence Halls

Beginning in the fall of 2021, all students living at the Illinois Street Residence Halls will have newly remodeled accommodations thanks to a major renovation that will also improve building systems.



UI Hospital Welcome Atrium

In November 2019, the Board of Trustees approved the construction of a new \$18 million Welcome Atrium at UI Hospital in Chicago. The space will serve as the new main entry point for all patients and visitors.

Unit Operations 2020

43

**Construction
Bids Solicited**

22

**Capital Items
Reviewed and
Presented to the
Board of Trustees**

50

**Retainer Contract
Renewals**

Always deliver more than expected.

Our office works with all three universities to ensure capital project documents are prepared in accordance with State and University policy.

This includes but is not limited to: posting QBS selections and bid solicitations on the IPHEC bulletin, reviewing front-ends and contracts, and reviewing all capital-related Board of Trustee agenda items.

State Appropriations 2020

Governor J.B. Pritzker and the Illinois State General Assembly passed the largest capital bill seen in years in May 2019. Nearly \$2 billion in capital projects was awarded to the University of Illinois System and its universities. In addition to reappropriating \$68 million for the Advanced Chemical Technology Building (ACTB) project at UIC, the universities received more than \$380 million in new and reappropriated funds to use on deferred maintenance projects.

Each university also received appropriations for their highest need projects. In Chicago, \$98 million was awarded for the construction of the Computer

Design Research and Learning Center. Springfield received \$35 million for a new Library Learning Student Success Center. Urbana-Champaign will receive \$100 million towards the long-awaited renovation of Altgeld Hall and the construction of a new Data Sciences Center where Illini Hall currently stands.

Capital Programs is in regular communication with system officials and representatives from the Capital Development Board to get funding in hand to begin these projects.



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