

**BOND REIMBURSEMENT & GRANT REVIEW COMMITTEE**  
**FY 2027 CIP Application Review Work Session**  
Friday, July 12, 2024 1:00 PM to 3:00 PM

Virtual Meeting on Teams

**Committee Members Present**

Larry Morris, Chair  
Kevin Lyon  
Randy Williams  
Dale Smyth

**Staff**

Michael Butikofer  
Alex Bearden  
Alex Watts  
Sharol Roys  
Lori Weed  
Laurel Shoop

**Additional Participants**

Clay Anderson  
David Landis  
Dena Strait  
Robyn- Petersburg  
Dennis- LKSD

**CALL TO ORDER and ROLL CALL**

Branson, Doug, and legislative staff not present.

**CHAIR'S OPENING REMARKS**

Meeting 4 for CIP Application Review

**REVIEW PREVIOUS MEETINGS MINUTES**

Approved. Kevin approved, Dale 2<sup>nd</sup> the motion to approve. Michael mentioned that we don't need to take motions in work sessions.

**BRIEFING FROM DEED ON GMS PLATFORM**

Recap: GMS can handle multiple applications for a single school district.

Michael has been in contact with GMS vendor. They will attend the August 8 meeting to go over the platform.

**SECTION 6 REVIEW**

No comments on section 6.

**SECTION 7 REVIEW**

Dale talked about the rural school perspective: permafrost, thermal pile foundations vs. conventional stem wall footings and other factors drive up the cost of construction significantly. Percentages may not be effective in these cases. Is there evidence that these percentages don't work?

Lori- no data has been pulled to determine if the percentages were hitting the mark in the last couple of years. Last time that we looked, were not pushing the boundary.

Dale also brought up that contingency may come in well about 5%. The application will state values, but actuals may change substantially as the grant is administered.

Lori - Dept has the authority to align the budget. We increase/decrease as the project is reviewed. Project contingency is moved to categories as needed. Don't have a way of tracking contingency.

Larry- Contingency is based on the construction. The contingency can be found in the cost model. The contingency would be adjusted because the base contingency would adjust construction. Contingency is adjusted depending on the region.

Michael: I hope we can adequately account for contingency based on location in the state.

Alex B talked about the headache of District admin overhead. The district does not know to take up to the 9%. 3% only applies to indirect admin.

Do we want it as a subcategory account? Not just an administrative it does interrupt the closeout process.

Larry spoke: 7.1 is for setting the budget, not for closeout. Do you think these percentages are reasonable for setting the budget?

David: his districts are typically underspending on admin overhead on the back end. On the front end it almost seems like an additional budget item that can be reallocated down the line.

Dena: CM by consultant- Dena mentioned that Kathy and Don Hiley (SEERC) were going to try and get this category changed. It was an issue for big projects like Kivalina. But not normally an issue on smaller projects.

Design services percentage in one of the DEED manuals - Design services only cover basic design services of schematic design through CA. It doesn't cover hazmat and commissioning services and those kinds of things. When going outside of those basic services, it feels risky when it comes to getting the grant the awarded.

Project contingency is challenging on smaller rural projects. \$350,000 on a \$7 million project is minimal and challenging.

Randy- commissioning ranges from .5-1.5% depending on the complexity of a project. Typical schools .5% for maximum without justification.

Commissioning should not be wrapped in to design services. Would be good to have its own bucket.

Dena asked is that for M & E Cx or is it envelop Cx as well?

Randy said 0.5% for all commissioning including basic envelope commissioning.

Larry-ASHRAE 90.1 can cover blow door testing.

Randy- blow door testing is under contractor services and not commissioning.

Dale – when talking about commissioning being including in design services, he was only referring to work completed by the design consultant and not a 3<sup>rd</sup> party.

Lori cited the following regulations regarding commissioning agents and the services that they provide:

[4 AAC 31.900 \(31\) \(32\)](#)

[4 AAC 31.080 \(j\)](#)

Alex B. brought up that this table impacts the Project Agreement and the financials in a project. Consider using the chart of accounts to model the table.

Lori- commissioning services are part of the design services. Lori recommends adding a check box and specific language on the application. It allows the district flexibility. Putting the line item in the budget makes the project accounting messier.

Dale- add a note #8 on table 7.1 that spells out the requirements for commissioning services and if they are required then can increase Design Services to 10.5%. He also, thinks it is a good idea to add a check box as Lori discussed.

Michael asked about the availability of commissioning agents in the state.

Randy: knows of about 4 companies including his that provide commissioning agent services. But it does depend on how busy folks are on availability.

Larry: Are districts hiring Cx agents outside or within A/E firms? Randy says he has seen both depending on Owner preference.

Dena: haven't had any trouble finding Mechanical & Electrical Cx agents. But finding Envelope Cx agents has been tough. There is only one Cx agent in the state that does blow door testing. The qualifications are not clear for the blow door testing.

Dale: Any thoughts on mechanical engineers and mechanical contractors providing Cx agent services?

Randy: Finding that there are many engineers that are not electing to do Cx services by choice. He is not aware of contractors performing that service. Blow testing and thermal imaging – only one person in the state that does that.

Lori: My understanding is that Design Services includes more than just those basic services, it includes those supplemental services. As an application budget category, it has certainly included more. This continued a conversation with Dena thru chat.

Dale found contingency numbers for a rural school in the last year:

- Estimating contingency of 15% at 35% design, reduced to 10% at 65%
- On top of that escalation contingency at 14% at 35% and 6% at 65%.
- Those are dramatically different than budget numbers in application.

### **Section 3 Review**

#### ***3b. age of the facility.***

- Larry would like to see it removed. Then those 30 pts might be able to go to: emergency or life-safety would have a better outcome of ranking.
- Michael asked if it's important for renovation v. reconstruction.
- Kevin and Lary – Some schools are partially renovated, fully renovated or not renovated at all.
- Alex B- what if we added a review where you can subtract if there has been a reno vs not.
- David- How to make comparison is good subject for discussion.
- Dena- the application seems to award buildings that are not well maintained.
- Lori thinks there may be a way to tie in the R&R schedules. But need to weigh how much data to enter into databases and keep track of.

Options for 3b.:

- Leave it like it is with no changes,
- make 3b go away completely, or
- Change the up to 30 pts and reduce to a lower number.

Dale would like to leave the points for an old with modification to how points are given.

Table for another discussion later. DEED to determine how the points can be adjusted.

#### ***3d. Project description/Scope of work***

DEED to separate “project description” and “Scope of work” into two different sections. 3d. will be “Project Description” and 3e. will be “Scope of Work”.

Agreed to by Kevin Lyon and 2<sup>nd</sup> by Dale Smythe.

#### ***3f.***

Under recovery of funds add: “Pre- CIP Number”

**Section 4**

#4 No comments

**PLAN FOR NEXT MEETINGS:**

*Next meeting:*

Aug 9 : Kevin Lyon to chair. Larry will be out of country.  
Sections 8,9,10 and attachments

- Additional work session as needed – TBD, Friday 1:00-3:00 PM

**COMMITTEE MEMBER COMMENTS**

No Comments

**ADJOURN**

2:38pm