

Non-Appropriated Capital Improvements Project Budget Supplement – The University of North Carolina at Pembroke

The 2007 General Assembly, at the Board of Governors' request, approved a new capital project - New Football/Multipurpose Tower, \$2,000,000 - for the University of North Carolina at Pembroke. The facility will support a number of events, including the UNCP football program, UNCP spring commencement, marching band competitions, Student Government Association sponsored outdoor concerts, track meets, Special Olympics, and N.C. Senior Games. The project will be financed from indebtedness to be repaid from a \$30 debt service fee. This project and the debt service fee were approved by the Chancellor, the UNCP Board of Trustees, and the Board of Governors.

In late November 2007, UNCP opened bids and the low bid was \$2,398,016. The designer's explanation for the project being over budget included the rising cost of steel and other metals, general inflation due to fuel prices, an increased amount of site work encountered during the development of the design not anticipated during the initial planning, and additional building and life safety code compliance requirements.

Although UNC Pembroke, the designer, and the low bidder have worked to reduce \$200,176 from the project, it remains \$197,840 over budget. UNCP has concluded it is in the best interest of the institution to award construction contracts as negotiated and has requested approval of a budget supplement of \$200,000. The increase would be funded from non-General Fund receipts currently budgeted at UNCP and available for this use. This requested budget supplement will not negatively impact any other university plans or operations.

It is recommended that the requested budget supplement and method of financing be approved.