

The University of North Carolina Board of Governors
UNC Bond Program Report
January 2006

The bond program continues to progress with completed projects and land acquisitions now accounting for almost \$1.1 billion of the available funds, active construction projects accounting for another \$900 million, with the remainder of the funds allocated to projects now in the design phase. From this point forward, increases in construction commitments will generally become smaller with only \$500 million of the funds related to projects in design.

This expected trend can be seen by looking at the program's contractual commitment history that has occurred annually between the November and January Board of Governors' meetings. Between the November 2003 and the January 2004 meetings, more than \$101M was committed as the program entered its peak period for construction contracting. Between the November 2004 and January 2005 meetings, that figure had dropped to \$41M and, in this latest cycle the amount of new commitments was just over \$10M.

The campuses continue to remain committed to getting all projects under way as soon as practicable to minimize the impact of the current and potential future unfavorable construction market. The most challenging market conditions are volatile construction pricing and a reduction in available construction capacity. Challenges also occur as the University continues to improve on its already commendable participation rates by HUB firms. Efforts remain high to ensure that remaining projects are successfully awarded and that projects currently under construction are effectively completed.

Construction market information, including capacity, is being carefully monitored to aid decision-making that will minimize price impacts on bond projects. Staff from General Administration have discussed price projections and strategies with construction estimating consultants and participated in a nation-wide audio-conference on these issues. While no one knows with certainty what the market holds for the future, strategies employed - such as those allowed by the Construction Manager at Risk construction delivery method, using readily available building elements such as standard steel shapes instead of customized shapes and keeping time short between bid opening and contract award - continue to aid in limiting market impacts on project cost, schedule and program.

"HUB Academies" enable existing HUB firms to be more successful in bidding work, thereby increasing the likelihood that they will remain sustainable firms contributing to the construction market's overall capacity while improving participation levels. Academies are currently being offered at UNC Charlotte and UNC Wilmington. Both East Carolina University and Elizabeth City State University will begin their academies in March 2006 following a joint outreach effort with the city of Greenville and other local entities. A joint effort is under development with the Department of Transportation to encourage the use of mentor protégé arrangements for development of smaller firms. Design and construction dollars awarded to HUB firms since the beginning of the bond program total slightly under \$36 million and \$318 million, respectively, for a total of \$345 million.

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Since the Board's last meeting, residence hall projects have been completed at FSU (Residence Hall for 275 Students, \$6.5 million) and NCCU (Shepard Residence Hall Renovation, \$7.2 million -- \$4.1 million of which was bond funding), with smaller projects also being completed at a number of campuses.

As the remaining projects are completed, the final challenge is to ensure that projects have been appropriately documented, that as-built drawings have been archived, that campus operations staff have been trained on new building systems and that all financial contractual obligations are completed in a timely manner. A system-wide session is being planned for January to strengthen skills and develop strategies to address this challenge.

An updated project status overview reflecting activity by institution is included with this report.

The University of North Carolina
Bond Project Status Overview - December 2005 Data
Contractual Commitments from Bond Funds

Institution	# of Projects per Bond List*	# of Project Bid Packages*	Total Dollar Value	In Design Phase				In Construction Phase				Complete				Land Acquisitions	
				\$	%	#	%	\$	%	#	%	\$	%	#	%	\$	%
ASU	13	23	\$87,406,200	\$4,090,873	4.68%	1	4.35%	\$56,716,961	64.89%	9	39.13%	\$23,008,535	26.32%	13	56.52%	\$829,300	0.95%
ECU	13	21	\$190,609,500	\$6,366,074	3.34%	1	4.76%	\$71,349,104	37.43%	5	23.81%	\$95,089,507	49.89%	15	71.43%	\$7,668,849	4.02%
ECSU	19	21	\$46,296,800	\$2,340,700	5.06%	8	38.10%	\$18,509,942	39.98%	6	28.57%	\$14,434,469	31.18%	5	23.81%	\$0	0.00%
FSU	17	25	\$46,021,400	\$1,168,072	2.54%	4	16.00%	\$25,237,766	54.84%	14	56.00%	\$12,895,974	28.02%	7	28.00%	N/A	N/A
NCA&T	21	37	\$161,800,091	\$6,039,959	3.73%	8	21.62%	\$37,906,075	23.43%	8	21.62%	\$62,881,044	38.86%	21	56.76%	\$6,300,000	3.89%
NCCU	23	42	\$121,246,203	\$5,551,956	4.58%	3	7.14%	\$49,729,131	41.02%	13	30.95%	\$41,646,314	34.35%	26	61.90%	\$2,000,546	1.65%
NCSA**	12	10	\$42,547,500	\$498,726	1.17%	0	0.00%	\$4,113,318	9.67%	3	30.00%	\$33,238,904	78.12%	7	70.00%	\$2,969,502	6.98%
NCSU	40	117	\$468,256,655	\$13,871,293	2.96%	10	8.55%	\$131,469,997	28.08%	35	29.91%	\$232,620,118	49.68%	72	61.54%	\$3,112,630	0.66%
UNC-A	9	12	\$50,464,200	\$3,763,019	7.46%	1	8.33%	\$30,782,746	61.00%	3	25.00%	\$14,437,543	28.61%	8	66.67%	N/A	N/A
UNC-CH	49	89	\$510,539,075	\$39,015,224	7.64%	21	23.60%	\$216,419,305	42.39%	35	39.33%	\$143,601,319	28.13%	33	37.08%	\$5,492,533	1.08%
UNC-C	15	22	\$190,033,501	\$5,746,426	3.02%	4	18.18%	\$54,700,163	28.78%	4	18.18%	\$122,609,227	64.52%	14	63.64%	N/A	N/A
UNC-G	17	24	\$166,008,255	\$9,731,932	5.86%	6	25.00%	\$42,256,783	25.45%	6	25.00%	\$53,414,700	32.18%	12	50.00%	\$5,211,145	3.14%
UNC-P	17	15	\$56,873,600	\$1,065,022	1.87%	3	20.00%	\$6,448,696	11.34%	5	33.33%	\$38,488,407	67.67%	7	46.67%	N/A	N/A
UNC-W	18	28	\$109,201,800	\$6,856,902	6.28%	3	10.71%	\$44,748,453	40.98%	6	21.43%	\$30,721,396	28.13%	19	67.86%	\$2,100,000	1.92%
WCU	15	25	\$100,336,744	\$4,277,967	4.26%	6	24.00%	\$22,263,243	22.19%	4	16.00%	\$58,346,113	58.15%	15	60.00%	\$3,153,000	3.14%
WSSU**	13	20	\$46,786,581	\$517,975	1.11%	0	0.00%	\$5,261,324	11.25%	4	20.00%	\$40,282,758	86.10%	16	80.00%	N/A	N/A
UNC-TV	2	6	\$65,890,600	\$0	0.00%	0	0.00%	\$0	0.00%	0	0.00%	\$49,188,180	74.65%	6	100.00%	N/A	N/A
NCSSM	2	4	\$5,163,000	\$0	0.00%	0	0.00%	\$0	0.00%	0	0.00%	\$5,163,000	100.00%	4	100.00%	N/A	N/A
The NC Arboretum** Reserve-for Repairs and Renovations & Cost Overruns	1	5	\$9,331,700	\$344,626	3.69%	0	0.00%	\$5,579,703	59.79%	3	60.00%	\$2,831,754	30.35%	2	40.00%	N/A	N/A
			\$25,186,595														
Total	316	546	\$2,500,000,000	\$111,246,746	4.45%	79	14.47%	\$823,492,710	32.94%	163	29.85%	\$1,074,899,262	43.00%	302	55.31%	\$38,837,505	1.55%

*The number of projects undertaken by the institutions differs from the number as listed in the bond legislation because projects are in some instances combined or separated into multiple phases. The percentages reported are based on the number of bid packages being prepared by the institution in order to give a more accurate progress picture. The number of projects listed based on legislation, reflects the original 316 items with adjustments approved through scope change requests.

**With no construction projects in design, a dollar commitment continues to be reported reflecting the continued role of the designer in construction administration until completion of the project.

Construction Manager at Risk preconstruction fee is listed under "Construction" column and will reflect a project count when a Gross Maximum Price contract is executed.