

**SOUTH DAKOTA BOARD OF REGENTS**

**Budget and Finance**

**AGENDA ITEM: 6 – K**  
**DATE: December 4-6, 2018**

\*\*\*\*\*

**SUBJECT**

**USD Dakota Dome Interior Renovation Guaranteed Maximum Price**

**CONTROLLING STATUTE, RULE, OR POLICY**

[BOR Policy 6:4](#) – Capital Improvements

[BOR Policy 6:6](#) – Maintenance and Repair

**BACKGROUND / DISCUSSION**

USD is submitting its Guaranteed Maximum Price (GMP) for Dakota Dome Phase 2 Interior Renovation. The Building Committee will meet to approve the GMP the week of November 26th, 2018.

The Dakota Dome Renovation [Facility Program Plan](#) was approved by Board of Regents at the December 2017 meeting with an overall project funding of \$26,320,000. Previously both the Building Committee and the Board of Regents approved the Facility Design Plan and the GMP for Phase 1 of the project which was the Dakota Dome Renovation – Outdoor Practice Football Field for total funding in the amount of \$2,115,000, and a GMP of \$1,787,133.

The Facility Design Plan for Phase 2 of the project, which is the Dakota Dome Interior Renovation, was approved at the October 2018 meeting. USD is requesting approval of the GMP for construction on the Dakota Dome Interior Renovation project from the Board of Regents. USD has received a GMP of \$20,483,000, which is within the overall project funding of \$24,205,000. The following presents a breakdown of the cost estimate for Phase 2:

<b><u>Total Estimate Of Probable Construction</u></b>	
Costs	\$20,483,000
AV/IT	\$800,000
FF&E	\$539,300
A & E Fee	\$1,440,000
Commissioning	\$87,700
Testing/LEED	\$80,000
OSE/USD Fees	\$200,000
Owner's Contingency:	\$575,000
<b>PROJECT TOTAL</b>	<b>\$24,205,000</b>

(Continued)

\*\*\*\*\*

**DRAFT MOTION 20181204\_6-K:**

I move to approve USD’s Guaranteed Maximum Price of \$20,483,000 for the Dakota Dome Interior Renovation project and to approve a maximum budget of \$27,870,000.

The project will also include eight (8) alternates which are currently not included in the above GMP. USD feels that the CMR contractor's estimates are inflated and that the overall project market and high interest from local contractors will allow USD to complete the eight (8) alternates within the GMP amount of \$20,483,000. However, if the bid packages do not allow for USD to complete these eight (8) alternates within the approved GMP amount, then USD has attached a letter from the USD Foundation (dated November 7th, 2018) securing another \$1.55 million in private sources to cover the costs of these eight (8) alternates, which is still within the 125% legislation approval amount.

The overall project would increase to \$27,870,000 if the additional funded were needed.

<b>Funding Sources for the Dakota Dome Renovation Project</b>	<b>Available</b>
Private Donations - Bonded	\$14,500,000
USD local other funds	\$6,419,602
HEFF M&R Proceeds	\$5,400,398
<b>Total</b>	<b>\$26,320,000</b>
Potential Additional Private Funds	\$1,550,000
<b>Maximum Estimated Cost</b>	<b>\$27,870,000</b>

## **ATTACHMENTS**

Attachment I – Foundation Letter regarding the USD Dakota Dome Interior Renovation



UNIVERSITY OF  
**SOUTH DAKOTA**  
FOUNDATION

---

November 7, 2018

Dr. Paul B. Beran, Executive Director  
South Dakota Board of Regents  
306 East Capitol Ave, Suite 200  
Pierre, SD 57501

Re: USDF and USD MOU

Dear Dr. Beran:

The University of South Dakota Foundation has agreed to secure Sixteen Million Fifty Thousand Dollars (\$16,050,000) of private resources to be used for the planning, construction and financing of the Dakota Dome Renovation Project.

USD Foundation and the University of South Dakota have entered into a MOU setting forth their mutual efforts and responsibilities, including the agreement of USD Foundation to guarantee the annual payments over the life of the bonds. This letter replaces and supersedes the Foundation's letter of November 7, 2017 previously provided to the South Dakota Board of Regents.

Sincerely,

A handwritten signature in cursive script, appearing to read "Steve Brown".

Steve Brown  
President