

**FACILITIES OVERSIGHT COMMITTEE**  
**OF THE BOARD OF REGENTS**  
**WESTERN KENTUCKY UNIVERSITY**

July 30, 1997

**AGENDA ITEM 1 - Call to Order**

Required statutory notice having been given, a meeting of the Facilities Oversight Committee of the Board of Regents of Western Kentucky University was held in the Regents Conference Room of the Wether by Administration Building. The meeting was called to order at 9:05 a.m., CDT, by Mr. Cornelius A. Martin, Chair.

**AGENDA ITEM 2 - Roll Call**

Ms. Kristen T. Bale  
Ms. N. Joy Gramling  
Mr. Cornelius A. Martin

Mr. Mudge was absent, and Regent Mendel was in attendance.

Others present were Interim President Barbara G. Burch; Mrs. Liz Esters, Staff Assistant and Secretary to the Board of Regents; Dr. James Ramsey, Vice President for Finance and Administration; Mr. John Osborne; Mr. Mark Struss, Director, Facilities Management; Mr. Paul Moran, University Architect; and Ms. Deborah Wilkins, University Counsel.

Mr. Martin stated that originally the proposal to air condition the Agricultural Exposition Center was to be included on the agenda, but other pertinent information is needed from individuals outside the University who are involved in the project before it can be discussed further. This item will be discussed at a later date. He felt that everything still looks to be very, very positive in terms of finding a way to fund the proposal.

**AGENDA ITEM 3 - Discussion on amending the contract with Marriott Corporation for Marriott to assume responsibility for capital construction management of WKU projects**

Mr. Martin called on Vice President Ramsey for comments. Dr. Ramsey noted the item had been on the Board of Regents agenda for Monday, July 28, and issues were raised concerning that agenda item. He had the opportunity to talk to some of the individual Board members before Monday's meeting and since then. There is some more analysis and homework that needs to be done before a final recommendation is made.

Dr. Ramsey talked about the problem, discussed the options than can be addressed to deal with the problem, seek direction from the Facilities Committee, and come back to the Committee at some point in the near future with a final recommendation.

Dr. Ramsey used a power point presentation (copies attached) to indicate the following:

- The Problem
- Attempted Solutions
- The Proposal
- The Proposal Costs - FY 97-98
- Why Marriott?

In the current organizational structure, all of the projects from pre-planning to planning, to design flow through the University architect. The University architect is the person looked to move the projects to Frankfort, and the Frankfort process is a very slow process; was made even slower in 1992 with changes in state law. On major capital construction projects, the state will assign an architect and engineers for the projects. That selection process adds another 6-9 months once you get the architect assigned from Frankfort, the architect designs the project, the project is bid and then the construction begins. Organizationally, the current set up calls for all of that to flow through one person, or a very small group of people from start to finish. This arrangement does not allow projects to keep moving in a timely fashion.

Amendments to state law in 1982 allow universities to manage all of their fiscal affairs. Western manages all the fiscal affairs except capital construction; the services of Facilities Management are still used for capital construction. The Board of Regents can opt not to do that if felt appropriate. Dr. Ramsey noted that there are advantages and disadvantages to opting out of the state system.

The original proposal, Dr. Ramsey reported, was to restructure the organization. The original contract with Marriott did not include project management in the RFP. The desire was for Marriott to focus on maintenance and operation. That problem needed to be addressed at the time. It was a conscious decision, at the time, to exclude project management; however, the problem needs to be now addressed.

Several things have been done to attempt to speed things up; they are listed on the attachment to the minutes. The real problem was determined to be in the organizational structure, and the proposal attempts to address that.

Dr. Ramsey reviewed the current proposal which is outlined in the attachment to the minutes titled “The Proposal,” and raised a couple of other possibilities. Costs for this proposal are outlined in the attachment to the minutes entitled “The Proposal Costs, FY 97-98.”

Dr. Ramsey stated, “We know that there are some concerns, we know that a number of people have expressed concerns on campus and even on the Board of Regents, there is still continues to be the concern of ‘what is the view and philosophy of outsourcing and privatizing?’ We can address this problem without entering into a contract with Marriott. We can change organizational structure; we can hire additional people ourselves. We don’t have to outsource to do that. It seems like that is one issue. A second issue is evaluation of Marriott. This would be an amendment to their contract. Are we ready to give them additional responsibilities and to give them responsibilities beyond maintenance and operation? That’s a policy issue.

The Office of Institutional Research will do a follow-up customer survey in September. This will be the second survey; the earlier survey has benchmark data , so in September or October, there will be a second set of information to compare with the benchmark data from users on campus. This will provide additional information on the performance of Marriott.

Dr. Ramsey stated, “We’ve laid this issue out as openly and honestly as we can. We’re saying to you that there’s a problem. We’re saying to you that we’re dedicated to fixing that problem. **We have one proposal on the table, but before we recommend that to you, we’d like to work a little bit more before a final recommendation is made back to this Committee. We’d like to revisit the issue of HB 622 and talk to UK and U of L a little bit more.**”

Dr. Ramsey stated, “I think if you all are comfortable, we could bring back at least three options at a future meeting

Mr. Martin stated, “As we move forward, we need to look at every option that we have and look at the whole package and what is in the best long-term interest of this University.”

With nothing further to come before the Committee, the meeting adjourned at approximately 9:55 a.m. The Committee was taken on a tour of the residence halls and rental properties by Regent Gramling.

