

**Agendum  
Oakland University  
Board of Trustees Formal Session  
June 21, 2021**

**Budget Adjustment for  
2871 Research Drive Renovation Project  
A Recommendation**

- 1. Division and Department:** Academic Affairs, Finance and Administration, and Facilities Management Department.
- 2. Introduction:** In order to provide additional research laboratory space for the campus, Oakland University purchased 2871 Research Drive, Rochester Hills (Property) on December 18, 2020. The Board of Trustees (Board) approved this purchase at their October 12, 2020 Formal Session.

SmithGroup and Clark Construction were hired as architect/engineer and construction manager for the renovation project. Their analysis of the building envelope and physical structure during the design and engineering phase revealed deficiencies; insufficient roof drainage and roof insulation, inadequate structural support for new rooftop HVAC units, and deficient exterior metal wall panel insulation. Normal design and engineering, remediation of deficiencies, and current market conditions have resulted in a construction estimate that exceeds the \$12.5 million project budget previously approved by the Board. The current project budget estimate including appropriate contingencies is \$14.5 million. A project budget increase is requested.

- 3. Previous Board Action:** On June 10, 2019, the Board authorized the issuance of the Series 2019 Bonds. At the October 12, 2020 Board Formal Session, the Board approved the purchase of the Property. On February 15, 2021, the Board approved the Schematic Design, Budget and Construction Manager for the renovation project.
- 4. Budget Implications:** The funding source for the original \$12.5 million Project is a combination of the Series 2019 Bonds and reserves. The additional \$2 million will be funded from reserves.
- 5. Educational Implications:** The Property will be dedicated to faculty-led research and the training of graduate and undergraduate students through research, including both federally sponsored research and partnerships with industry.
- 6. Personnel Implications:** Incremental maintenance and custodial personnel will be identified based on needs and integrated into the management and operations of the Property.
- 7. University Reviews/Approvals:** This recommendation was formulated by the Associate Vice President for Facilities Management and reviewed by the SECS Dean, Vice President for Research, Executive Vice President for Academic Affairs and Provost, Vice President for Finance and Administration, and President.

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**8. Recommendation:**

RESOLVED, that the Board of Trustees approves the project budget increase of \$2 million, for a total budget of \$14.5 million for the 2871 Research Drive Renovation Project; and, be it further

RESOLVED, that the Board of Trustees authorizes the President, the Vice President for Finance and Administration, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are necessary, expedient and proper in connection with the 2871 Research Drive Renovation Project; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

**9. Attachments:**

A: Oakland University Research Building Renovation, dated June 21, 2021

Submitted to the President  
on 6/17, 2021 by

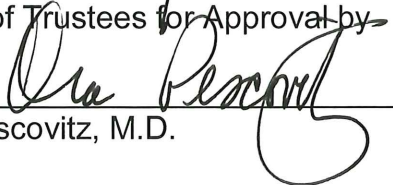


John W. Beaghan  
Vice President for Finance and Administration  
and Treasurer to the Board of Trustees



Britt Rios-Ellis  
Executive Vice President for Academic Affairs  
and Provost

Recommended on 6/17, 2021  
To the Board of Trustees for Approval by



Ora Hirsch Pescovitz, M.D.  
President

# **OAKLAND UNIVERSITY RESEARCH BUILDING RENOVATION**

**BOARD OF TRUSTEES MEETING  
JUNE 21, 2021**

# FLOOR PLANS

## CURRENT PHASE

### Level 01:

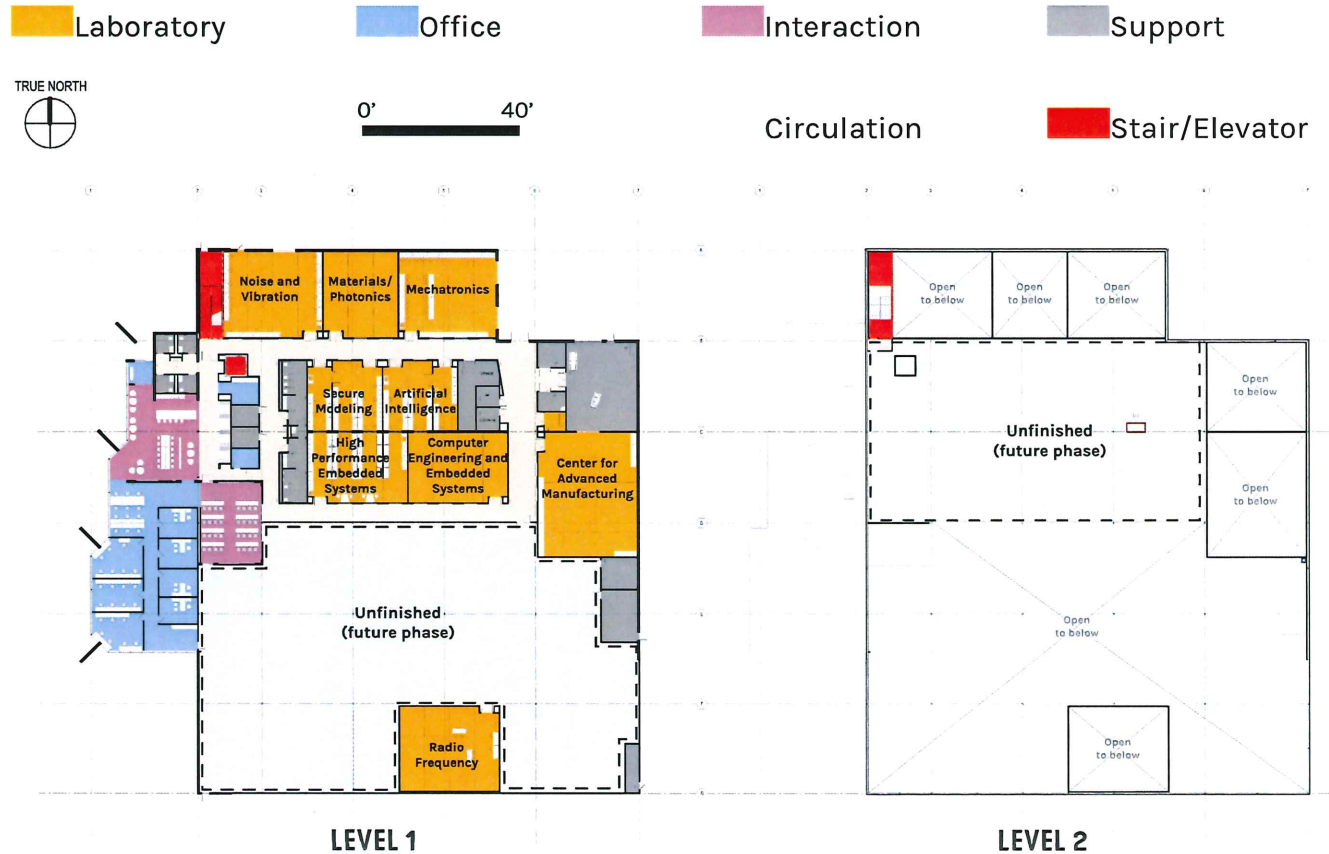
- 29,287 Project Area (Gross)
- 12,862 Laboratory
- 5,705 Office/Interaction
- 3,769 Support
- 19,357 Unfinished (future phase)

### Level 02:

- 162 Project Area (Gross)
- Laboratory
- Office/Interaction
- Support
- 11,650 Unfinished (future phase)

### Total:

- 29,950 Project Area (Gross)
- 12,862 Laboratory
- 5,705 Office/Interaction
- 3,769 Support
- 31,007 Unfinished (future phase)



# FLOOR PLANS

## FUTURE BUILD

### Level 01:

49,475 Project Area (Gross)  
 23,280 Laboratory  
 7,740 Office/Interaction  
 4,832 Support

### Level 02:

24,481 Project Area (Gross)  
 10,547 Laboratory (up to 13,510)  
 2,892 Office/Interaction  
 1,464 Support

### Total:

73,956 Project Area (Gross)  
 33,827 Laboratory  
 10,632 Office/Interaction  
 6,296 Support



0' 40'



LEVEL 1

LEVEL 2

# DD COST ESTIMATE

CONSTRUCTION ESTIMATE	\$12,125,114	
DIRECT OWNER COST	\$2,363,353	
<b>TOTAL PROJECT COST</b>	<b>\$14,488,467</b>	
BUDGET	\$12,500,000	
<b>OVERAGE</b>	<b>\$1,988,467</b>	<b>(15.9%)</b>

# BASE BUILDING LIMITATIONS

## ROOF SYSTEM

**\$493,943**

1. Insufficient roof slope needs to be increased to eliminate standing water.
2. Low parapet will need to be raised to meet increased roof slope.

## EXTERIOR WALL SYSTEM

**\$238,072**

1. Insufficient exterior insulation requires additional insulation to large portions of the project.

## STRUCTURAL SYSTEM

**\$697,925**

1. Inadequate footings to support additional floor requires portions of floor to be removed and footings to be reinforced.

2. Structural roofing system near maximum capacity requires revision of roof slopes and potential member reinforcement.
3. Inadequate lateral bracing system requires additional bracing throughout the building.

## STORM-WATER DRAINAGE SYSTEM

**\$163,980**

1. Undersized primary roof drains require a mix of increasing numbers, sizes, and locations.
2. Insufficient secondary drainage system requires additional drains to mitigate ponding water.

## TOTAL ADD TO PROJECT

**\$1,388,438**

# MARKET UNCERTAINTY

## HARDEST HIT CATEGORIES

CATEGORY	MATERIAL COSTS	INCREASE	MATERIAL ESCALATION
Superstructure	\$283,818	25%	\$76,469
HVAC	\$879,281	15%	\$131,892
Electrical	\$928,091	15%	\$139,214
Fire Protection	\$93,624	14%	\$13,107
Plumbing	\$263,328	13%	\$34,233
Interior Finishes	\$318,476	5%	\$15,924
Roofing	\$367,918	5%	\$18,396
<b>TOTAL*</b>	<b>\$4,169,857</b>	<b>10.7%</b>	<b>\$546,075</b>

\*(INCLUDES ITEMS NOT LISTED HERE)