

**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.

As a result of current market conditions, including construction industry inflation, supply chain and labor shortages, the latest project cost estimates including adequate contingencies exceed the prior approved budget by \$2.1 million. The current project budget estimate including appropriate contingencies is \$16.6 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. On June 21, 2021, the Board approved a project budget increase.
- 4. Budget Implications:** The funding source for the original \$14.5 million Project is a combination of the Series 2019 Bonds and reserves. The additional \$2.1 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, Interim Vice President for Finance and Administration, and President.

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Oakland University
Board of Trustees Formal Session
June 13, 2022
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8. Recommendation:

RESOLVED, that the Board of Trustees approves the project budget increase of \$2.1 million, for a total budget of \$16.6 million for the 2871 Research Drive Renovation Project; and, be it further

RESOLVED, that the Board of Trustees authorizes the President, the Interim 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: None.

Submitted to the President
on June 10, 2022 by

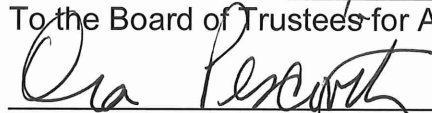


James L. Hargett, CPA
Interim Vice President for Finance and Administration
and Treasurer to the Board of Trustees



Britt Rios-Ellis, M.S., Ph.D.
Executive Vice President for Academic Affairs
and Provost

Recommended on 6/13, 2022
To the Board of Trustees for Approval by



Ora Hirsch Pescovitz, M.D.
President

Reviewed by



Joshua D. Merchant, Ph.D.
Chief of Staff and
Secretary to the Board of Trustees