

**ARCHITECTURAL AND ENGINEERING FIRM FOR THE
ENGINEERING CENTER - AMENDMENT**

A Recommendation

1. **Division and Department:** Finance and Administration Division, Facilities Management Department

2. **Introduction:** In June 2011, the Board of Trustees (Board) approved SmithGroup Inc. for architectural and engineering services for the Oakland University (University) Engineering Center.

Project cost estimates for the Engineering Center were developed in 2009. The Engineering Center project was ultimately approved in 2011 with a total project budget, including State Capital Outlay support, of \$74,551,739. That amount included unallocated sums reflecting three years of project cost escalation.

The preliminarily estimated construction portion of the total project budget was \$42,393,212. The architectural and engineering services based on this preliminary construction budget were estimated as \$2,645,300, and the Board approved SmithGroup Inc's architectural and engineering services at that amount.

Through the design and preconstruction process, the construction portion of the approved total project budget has been finalized at \$53,310,312 (from \$42,393,212) by allocating the previously unallocated project cost escalation and a portion of the design contingency. The approved total project budget remains unchanged at \$74,551,739.

In addition, Trustees Robinson and Shah, in their capacities as Board Liaisons to the Engineering Center Steering Committee, directed that LEED (Leadership in Energy and Environmental Design) certification should be sought for the Engineering Center, with certification costs absorbed within the project.

Accordingly, the SmithGroup Inc. architectural and engineering services contract must be amended to allocate the previously unallocated project cost escalation, a portion of the design contingency, and the additional services associated with LEED certification, resulting in an increase of \$667,650, for a total fee of \$3,312,950 including \$100,000 for owner's contingency.

Essentially, this is an internal line item budget reallocation with no increase or effect on the approved total project budget, which remains at \$74,551,739, as disclosed and discussed with Trustees Robinson and Shah.

3. **Previous Board Action:** On December 9, 2010, the Board approved the Fiscal Year 2012 Capital Outlay Project Request which included the Engineering Center as the University's top priority capital outlay request. On March 30, 2011, the Board approved the Engineering Center reimbursement resolution. On June 8, 2011, the Board approved SmithGroup Inc. as the architectural and engineering firm for the Engineering Center. On October 31, 2011, the Board

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approved the schematic design and financing for the Engineering Center. On March 28, 2012, the Board approved the construction manager for the Engineering Center.

4. **Budget Implications:** Architectural and engineering fees are budgeted in the Engineering Center project budget. The proposed amendment is within budget.
5. **Educational Implications:** The Engineering Center will be the new home for the School of Engineering and Computer Science, as well as general purpose classrooms.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** This recommendation was formulated by the Associate Vice President for Facilities Management and reviewed by the Vice President for Finance and Administration, and President.

8. **Recommendation:**

RESOLVED, that the Board of Trustees authorize the Vice President for Finance and Administration to negotiate and execute contracts and amendments with SmithGroup Inc. for architectural and engineering services for the Engineering Center; and, be it further

RESOLVED, that the total cost for all architectural and engineering services for the Engineering Center will not exceed \$3,312,950, plus the total amount of any grant funding that may become available at no incremental cost to the University; and, be it further

RESOLVED, that the amendment be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel.


9. **Attachments:** None.

Submitted to the President
on 10/1, 2012 by



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

Recommended on 10/1, 2012
to the Board of Trustees for Approval



Gary D. Russi
President