

Contact: John Nash

REGISTER OF UNIVERSITY OF IOWA
REQUEST FOR RATIFICATION OF REVISED PROJECT BUDGET

Actions Requested: Recommend Board ratification of the Executive Director's approval of a revised project budget on February 28, 2020 for the **UIHC – John W. Colloton Pavilion – Upgrade Main Operating Room Building Controls and Telecom Room** project from \$4,000,000 to \$5,350,000, up \$1,350,000, with the understanding that approval is authorization to proceed with construction.

- Board's Policy Manual §2.3, section 3, part C.ii.g states that the Executive Director is authorized to act on behalf of the Board on capital project actions, when failure to take immediate action would have an adverse effect on institutional programs, cause unnecessary project delays, result in increased project costs or when it is otherwise in the public interest. The Board shall be asked to ratify such actions at the next Board meeting.

Executive Summary: The design professional's preliminary construction estimate did not account for extra construction phasing and associated infectious disease control measures. Subsequently, the Construction Manager at Risk's guaranteed maximum price (GMP) was higher than expected, leading to this revised budget.

Because failure to increase the budget could have caused unwanted disruption to UIHC's operating room scheduling and increased costs from contractors due to project delays, the Executive Director approved this revised project budget on February 28, 2020 (attached below).

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
Design Professional Selection			
➤ IMEG Corporation, Iowa City		Jun. 2019	Not Required*
Design Professional Agreement			
➤ Schematic Design – Record Documents	\$ 252,000	Jul. 2019	Not Required*
Use of Alternative Delivery Method for Project Budget Under \$5 million, Construction Manager at Risk (CMR)		Sep. 2019	Not Required*
Project Description and Budget	\$4,000,000	Nov. 2019	Approved*
Revised Project Description and Budget	\$5,350,000	Apr. 2020	Requested

* Approved by Executive Director, consistent with Board policy.

	Nov. 2019	Apr. 2020
Planning, Design & Management	\$ 883,100	\$ 638,585
Construction	2,839,825	4,288,661
Furniture & Equipment	4,500	4,500
Contingency	272,575	418,254
Total	\$ 4,000,000	\$ 5,350,000

Source of Funds
University Hospitals Building Usage Funds

Schedule
January 2020 through December 2020



To: John Nash
From: David Kieft
Project: UIHC – JCP – Upgrade Main Operating Room Building Controls and Telecom Room, Project # 0810301
Date: February 28, 2020

As required by Chapter 2.3 of the Board of Regents' *Policy Manual*, our institution submits this item to the Board Office for review and approval.

- Revised Project Description and Budget** between \$1,000,000 and \$2,000,000
- Revised Project Description and Budget** more than \$2,000,000 with increases less than \$750,000

Justification for Revised Budget:

This budget is being revised following development of the guaranteed maximum price for the CM at Risk Contractor. The early construction estimate prepared by the Design Professional did not account for the phasing and associated infectious control measures required for this work.

Failure to take immediate action on this request would cause further increased costs to the project, delay the work, thus extend the risk to the hospital from building control failures and cause redesign of phasing construction around the main operating rooms. Ratification of this budget revision will be included in the docket for the April 2020 Board of Regents meeting.

Revised Project Description:

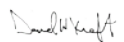
This project replaces the pneumatic controls and upgrades the system components of a 25-year-old mechanical system that provides air to the Main Operating Rooms on Level 5 of the John W. Colloton Pavilion. The revised budget includes an increase of \$1,350,000 that accounts for the GMP provided by the CM at Risk Contractor for the original project scope and the Owner's required phasing requirements.

		Original Budget <u>(11/14/2019)</u>	Revised Budget <u>(02/28/2020)</u>
Revised Budget:	Construction	\$ 2,839,825	\$ 4,288,661
	Planning, Design & Management	883,100	638,585
	Furniture & Movable Equipment	4,500	4,500
	Contingency	272,575	418,254
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	Total Revised Project Budget	\$ 4,000,000	\$5,350,000

Source of Funds: University Hospitals Building Usage Funds

Est. Revised Schedule: Construction will commence spring 2020 and shall be substantially complete by late fall 2020.

Recommended by:

DocuSigned by:

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2/28/2020

Date

Approved by:

DocuSigned by:

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2/28/2020

Date

Mark Braun, Executive Director
Board of Regents, State of Iowa