

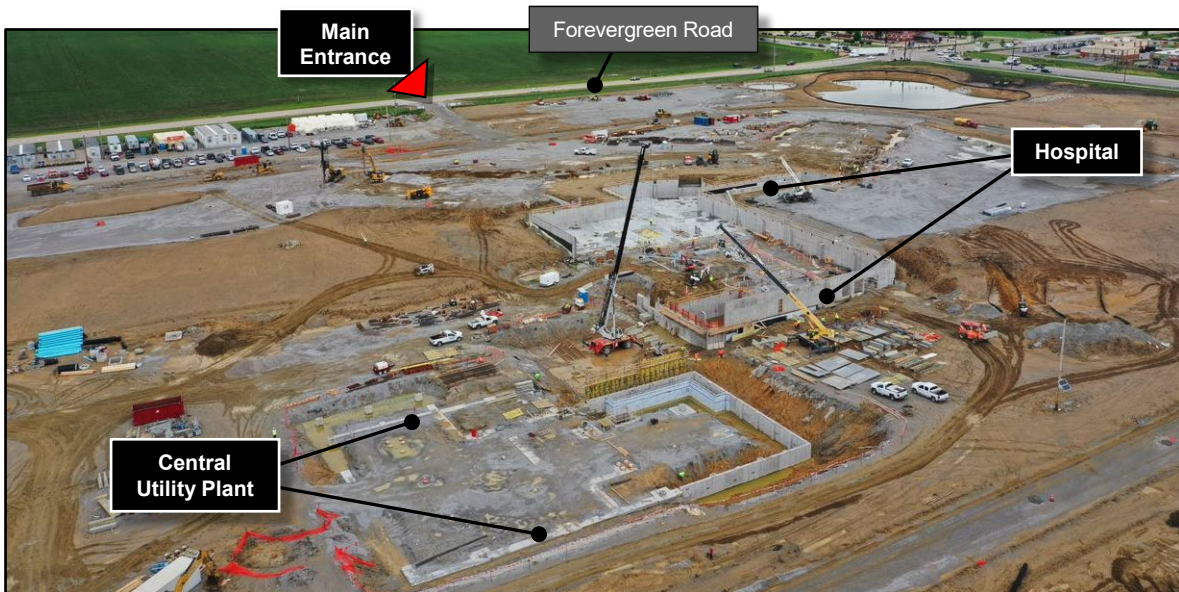
Contact: Mark Braun

NORTH LIBERTY HEALTHCARE FACILITY BUDGET INCREASE

Actions Requested: Approve the proposed revised project budget of \$525,628,000 for the **UIHC at Forevergreen Road – Construct Facility** project. This is a 33 percent increase from the original \$395,000,000 project budget.



Construction progress photo #1,
looking north over the south end of the Hospital



Construction progress photo #2,
looking northeast over entire site

Executive Summary: Due to multiple convergent construction industry challenges, such as worldwide and local construction market inflation, higher raw material prices, limited availability of construction materials, and local construction trade labor shortages, the University of Iowa requests Board approval to increase the project budget to \$525,628,000 for this new 469,000 square foot healthcare facility.

The University of Iowa would like to stress, that the project consists of the same building design, same square footage and same floor plates, that were in the original budget approved by the Board in September 2021.

Samples of current construction market conditions:

- Worldwide glass prices up 35-40 percent over the last 2 weeks
- Russia and Ukraine are 3rd/4th largest aluminum producers, impacting multiple building systems
- Local electrician shortage: approximately 25% needed for this project alone

Proposed Revised Project Budget

	Original Sep. 2021	Revised Jul. 2022
Planning, Design & Management	\$ 43,297,000	\$ 47,318,000
Construction	192,895,000	288,748,000
Construction – Central Utility Plant only	33,716,000	51,207,000
Construction – Sitework only	25,763,000	22,855,000
Construction – Intersection Work	-	2,000,000
Furniture & Equipment	78,119,000	92,290,000
Contingency	21,210,000	21,210,000
Total	\$ 395,000,000	\$ 525,628,000

Sources of Funds

1. Hospital Revenue Bonds
2. Private Gifts
3. University Hospital Building Usage Funds

Project Schedule

Design: February 2020 through April-August 2022

Construction and Commissioning: October-December 2021 through April-June 2025



Annual Operating and Routine Maintenance Costs

Includes utilities, routine maintenance, security, EH&S, property insurance, janitorial
\$15-\$16/gross square foot

Annual Operating and Routine Maintenance Costs: Source of Funds

University Hospital Building Usage Funds

Project Summary

	<u>Amount</u>	<u>Date</u>	<u>Board Action</u>
1. Permissions to Proceed			
Permission to Proceed with Project Planning		Sept. 2016	Approved
Revised Permission to Proceed with Project Planning, moved project from Iowa River Landing to North Liberty		Feb. 2020	Approved
2. Design Professional Agreements			
Design Professional Selection, seven proposals Neumann Monson, Iowa City		Jan. 2017	Not Required*
Neumann Monson DP Agreement #1 Program & Site Development Study	\$ 1,256,670	Aug. 2019	Not Required*
Waiver of the Design Professional Selection Process Neumann Monson, Iowa City selected		Feb. 2020	Approved
Neumann Monson, Agreement #2 Programming and Site Development	21,887,700	Dec. 2020	Not Required*
Medical Equipment Planning, nine proposals Ross and Baruzzi Inc., St. Louis, Missouri	866,700	Mar. 2021	Not Required*
Ancillary Consultant-Furniture, seven proposals HKS, Dallas, Texas	343,594	Jun. 2021	Not Required*
3. Construction Manager @ Risk (CMR) Agreement			
Utilization of CMR Delivery Method		Feb. 2020	Approved
CMR Selection, three proposals JE Dunn, Des Moines		Dec. 2020	Not Required*
JE Dunn Agreement Preconstruction and Construction Phase Services	13,675,611	Jan. 2021	Not Required*
JE Dunn Amendments #1-#12	128,937,070	Jun. 2022	Not Required*
4. Schematic Design, Project Budget			
Iowa Department of Public Health's State Health Facilities Council approved the Certificate of Need		Aug. 2021	Not Required*
Program Statement		Aug. 2021	Not Required*
Schematic Design		Sep. 2021	Approved
Project Description and Budget	395,000,000	Sep. 2021	Approved
Revised Project Description and Budget	525,628,000	Jul. 2022	Requested

* Approved by Executive Director, consistent with Board policy.