

**Towers Residential Suites and Café Dining Addition  
Construction Cost Authorization Increase**

**Recommendation**

It is recommended that the Board of Governors authorize the President, or his designee, to increase the current budget for the Towers Residential Suites and Café Dining Facility Addition for a project cost not to exceed \$2,835,000. In March 2019, the Board authorized \$2,150,000 in construction spending. It is recommended that the Board of Governors authorize additional spending of up to \$685,000 for a total of \$2,835,000. Funding will be provided from the Residential Dining Operating Fund.

**Background and Project Description**

In March 2019, the Board of Governors approved the construction authorization for the Towers Residential Suites and Towers' Café Addition. The current capacity is challenged by the growing number of required and commuter plans being purchased each year. The proposed 5,500 square foot addition will expand into the adjacent courtyard and add over 300 seats as well as an outdoor patio. The addition will tie into the existing building's gas and electrical feeds but will have a dedicated HVAC system.

In March 2019 the project architect's estimate was in line with the project funding request approved by the Board. A competitive bid process was then completed in August 2019 resulting in four bids, all of which came in significantly over the estimated project cost. The current Detroit construction market poses major challenges to estimating projects due to the increased costs of construction including the lack of available manpower, cost fluctuations of materials and equipment which reflect the current industry uncertainty related to future market swings.

All contracts for this project will be awarded in accordance with University policies and procedures, and with a focus on sustainability.

**Project Budget**

<b>Funding Sources</b>	
Residential Dining Operating Fund	\$2,835,000
<b>TOTAL Sources</b>	<b>\$2,835,000</b>
<b>Expenditures Plan</b>	
Design Fees	\$ 221,000
Construction	\$2,309,800
Project Management	\$ 96,200
Contingency	\$ 208,000
<b>TOTAL Expenditures</b>	<b>\$2,835,000</b>