

Submitted by: David P. Massaron, Chief Financial Officer and Senior Vice President for Finance and Business Operations; Treasurer

State Hall Renovation – Phase II of III

Recommendation

It is recommended that the Board of Governors authorize the President, or his designee, to authorize \$8,000,000 for Stage II of the State Hall Renovation Project. The purpose of this request is to award contracts for demolition, abatement and to purchase long lead-time equipment. The project will be funded by 2020 Bond Sale Funds.

Background and Project Description

Built in 1948 and expanded in 1956, State Hall is the University's third largest classroom building with 75 classrooms and over 163,000 gross square feet. It is one of the most scheduled lecture buildings on campus and it supports almost every academic program offered at Wayne State. State Hall requires a long-overdue comprehensive renovation.

The current Detroit construction market poses major challenges to the cost-effective timely delivery of the project as seen in the recently increased costs of construction and low turnout of contractors bidding for work on campus. The availability of manpower, cost fluctuation of materials and equipment, and material lead times are areas of concern. To mitigate the effect of these obstacles WSU hired a construction manager to further assist in the development of the design and estimates for construction. The result of this effort was the recommendation to bring subcontractors on board to further assist with market trends, design, estimating, and the ability to purchase materials and equipment in advance.

Funding requests for the State Hall project have been segmented into three Phases. Phase I funding of \$6,000,000, for design and pre-construction services, was approved by the Board of Governors on January 29, 2021. Phase II, before the Board at today's meeting, covers the cost for demolition, abatement, and purchasing long lead-time equipment. Phase III will be a request for construction authorization funding, and will be presented to the Board in June 2022, and will complete the requests for funding for this project. This phased approach will allow the University to meet the construction schedule for this project.

All contracts for this project will be awarded in accordance with University policies and procedures.

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Project Budget

Funding Source	
2020 Bond Sale Funds	\$8,000,000
TOTAL Sources	\$8,000,000
Expenditures Plan	
Design Fees	\$0
Construction Equipment (Long Lead Time)	\$3,872,730
Construction	\$3,400,000
Project Management Fees	\$0
Contingency	\$727,270
TOTAL Expenditures	\$8,000,000