

SCHEMATIC DESIGN FOR THE HUMAN HEALTH BUILDING

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

2. **Introduction:** The Governor of the State of Michigan signed the Capital Outlay Budget for FY08, Senate Bill 511, allocating a capital appropriation of \$40 million for Oakland University (University) to build a Human Health Building (HHB) at an estimated total cost of \$61,748,075. The \$21,748,075 University match will be funded from bond proceeds through the issuance of University General Revenue Bonds, Series 2009 (Bond).

The preliminary program for the HHB notes approximately 160,000 square feet which will be the new home for the School of Nursing (SON) and School of Health Sciences (SHS), with shared common spaces and general purpose classrooms.

At the direction of the Finance, Audit and Investment Committee, the schematic designs for the HHB will be presented to the Board of Trustees (Board) on July 8, 2009 for approval and submission to the Department of Management and Budget and the Joint Capital Outlay Subcommittee for approval.

Representatives from SmithGroup, Inc. will present the schematic designs.

3. **Previous Board Action:** On October 30, 2008 the Board of Trustees (Board) approved a reimbursement resolution for the HHB. On February 4, 2009, the Board authorized the Vice President for Finance and Administration to negotiate and execute a contract with SmithGroup, Inc. for architectural and engineering services.

4. **Budget Implications:** Annual operating costs of the HHB are estimated to be \$886,000 starting in FY12.

5. **Educational Implications:** The Human Health Building was the most urgent need of the University for academic space. The School of Nursing and School of Health Sciences will be housed in the new building along with ten general purpose classrooms.

6. **Personnel Implications:** Included within the estimated operating costs of the HHB are personnel costs for custodial and maintenance services.

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 the President.

**Schematic Design for the Human Health Building
Oakland University
Finance, Audit and Investment Committee
July 2, 2009
Page 2**

8. **Board Action to be Requested:** At the July 8, 2009 Formal Session the Board will be asked to approve the schematic design and authorize the Vice President for Finance and Administration to proceed with the completion of design for the HHB, consistent with the project scope, budget, and schematic design, and submit the schematic design of the HHB to the Department of Management and Budget and the Joint Capital Outlay Subcommittee for approval.


9. **Attachments:**

- A. Executive Summary
- B. Schematic Design
- C. Project Cost
- D. Operating Budget
- E. Schedule

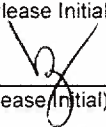
**Submitted by Vice President for Finance and Administration
and Treasurer John W. Beaghan:**

Reviewed by Secretary Victor A. Zambardi:


Reviewed by President Gary D. Russi:



(Please Initial)



(Please Initial)



(Please Initial)

Subject: File No. 332-09024.PEM
Oakland University
Human Health Building
Rochester, Michigan

Schematic Design prepared by: SmithGroup, Incorporated

Tab A – Executive Summary

The proposed 160,000 square foot Human Health Building will provide state-of-the-art instructional, research, and practice space for Oakland University's School of Nursing and the School of Health Sciences. The construction of this facility comes at a time when Michigan's health care sector is currently the state's largest employer and will continue to generate significant new job opportunities while other industries eliminate workers and downsize business operations in the state. At the same time, Oakland University is poised to expand its outstanding accredited programs in health sciences and nursing and to develop innovative strategies which will assist in meeting these future health care workforce needs in Michigan. Examples include recently established programs for college graduates to earn a second degree in nursing, a doctorate of nursing practice program and a Master of Science program in safety management. However, in order to develop responsible and highly qualified practitioners, health care education requires facilities for both classroom and clinical education that includes equipment and technology that replicates hospital and community-based health care settings. Along with being a financial investment, the new Human Health Building will touch lives through meaningful career education for citizens that benefits the health and welfare of the state.

Due to increased demand for education in the health care sector, both the School of Health Sciences and School of Nursing have seen unprecedented growth in recent years. Both schools have outgrown their existing facilities. Consolidation of faculty and academic programs from both schools into one facility will greatly enhance the learning environment. It will enable interaction between students and faculty of all disciplines and provide the environment for cooperative activities between departments, including interdisciplinary grant exploration. The new building will provide state-of-the-art facilities and technology designed to support the functional requirements of both academic programs and research. Siting the new Human Health Building in the northwest quadrant of campus will also provide the opportunity to create a future Health Campus at Oakland University which may include a new Medical School Building and Research Facility.

The design and function of the new Human Health Building will follow today's philosophy for educational systems, which concentrates on the concept of living and learning communities and centralization of student related functions.

Issues that will be addressed in the new building include:

- Both schools are located in outdated facilities which are difficult to retrofit for service and technology required by today's educational delivery systems.
- Students have difficulty congregating for after-class discussions, study groups, or student organization meetings on campus – activities specifically identified in program accreditation reviews.
- There are no centralized gathering spaces that allow for spontaneous interaction between faculty and students.

- Current teaching, research, and community outreach spaces are often in areas which are not easily accessible to those with restricted mobility. Many of the degree programs serve, enroll, and employ persons with disabilities, and there are often logistical problems in administering these programs on campus.
- The physical environment and condition of the classrooms, offices, and other spaces used by the School of Nursing and School of Health Sciences are often a direct contradiction to the principles of health and physical and mental wellness that both schools promote.
- As previously stated, both the School of Nursing and School of Health Sciences are expected to have significant growth in enrollment as well as research. In their current locations, there is little or no room for program growth, additional faculty, or an increase in funded research.

Increasing Oakland University's contribution to the health care workforce in Michigan requires that the physical space available for classrooms, laboratories, and clinical facilities be expanded. The construction of the new Human Health Building that includes hands on clinical and experiential laboratories will allow significant increases in enrollment within the next five years.

The new Human Health Building is designed to support interdisciplinary teaching, clinical instruction and health research by bringing together, under one roof, full-time faculty and part-time clinical professionals in the community. The goal is to expose students to the new model of health care practice that emphasizes team care for patients. Students learn and practice in environments that mimic modern, high-tech laboratories, clinics, and hospitals within the community.

The new Human Health Building will allow incorporation of new technologies that are impossible or cost prohibitive to retrofit within existing buildings. Health Science and Nursing laboratories will be able to mimic health care facilities so students can learn current and future practice methods using a "hands-on" approach. Students who have used advanced technology for learning skills in the classroom and laboratory will transition easily into the high-tech hospital environment. High-fidelity simulation and virtual computer applications are two examples of introductory teaching strategies being used in the education of health care professionals today.

A larger facility will also provide space for additional programs such as refresher courses and continuing education. Lack of classrooms and laboratories limit the development of both academic degree-granting programs and community-based education. Essential partnerships between Oakland University and hospital and industry programs will become a reality once the properly configured space for experiential learning is provided.

The new Human Health Building will also be designed to serve the community. Inclusion of a public health clinic is proposed to serve the surrounding communities by providing wellness focused health care. Health examinations, immunizations, routine screenings, and specialized health management and education would be several services offered by licensed faculty and graduate students. Undergraduate students would be involved in supervised experiences in the clinic. Faculty support this model of care and envision opportunities to meet essential community needs as well as to develop new strategies for teaching and learning.

Subject: File No. 332-09024.PEM
Oakland University
Human Health Building
Rochester, Michigan

Schematic Design prepared by: SmithGroup, Incorporated

Tab C – Project Cost Summary

Estimated Construction Cost:

1. Building Structure (General, mechanical, electrical, fixed equipment)	\$44,912,000
<i>Includes escalation for a construction start date of April 2010</i>	
2. Services from outside five feet of the structure, Site Improvements	<u>\$2,167,000</u>
Sub-Total Construction Cost	\$47,079,000
3. Movable furnishings and equipment	\$6,063,000
4. Professional Fees, surveys, site investigations, state supervision	\$3,662,000
5. Other	<u>\$4,944,075</u>
Total Estimated Project Cost.....	\$61,748,075

Subject: File No. 332-09024.PEM
Oakland University
Human Health Building
Rochester, Michigan

Schematic Design prepared by: SmithGroup, Incorporated

Tab C – Program and Cost / SF Analysis

Program Analysis

Initial Program (April 2009) 197,234 GSF

Current Program (June 2009) 160,260 GSF

Overall savings in GSF is achieved as a result of a) sharing of space between the two Schools; b) the design of flexible, collaborative spaces that can serve multiple functions; c) efficient planning strategy that is organized by space typologies rather than departments and c) "right-sizing" classrooms to respond to specific needs.

Construction Cost / SF Analysis

Initial budgeted construction cost / SF \$300 / GSF

Current estimated construction cost / SF \$280 / GSF

Savings is achieved through efficiency of planning and building systems design.

Subject: File No. 332-09024.PEM
Oakland University
Human Health Building
Rochester, Michigan

Schematic Design prepared by: SmithGroup, Incorporated

Tab D - Annual Operating Budget

Following is a summary of the projected annual operating budget based on \$/year and 160,260 gross square feet:

Plant Engineering @ \$0.03/gsf	\$ 4,808
Custodial Cleaning @ \$1.60/gsf	\$ 256,416
Bldgs. & Grounds @ \$1.00/gsf	\$ 160,260
Plant Maintenance @ \$0.20/gsf	\$ 32,052
FM Admin. @ \$0.02/gsf	\$ 3,205
Skilled Trades Positions (1-1/2)	\$ 123,520
Grounds Keeper Position	\$ 65,540
Purchase Utilities @ \$1.25/gsf	\$ 200,325
Security	\$ 20,000
Insurance	<u>\$ 20,000</u>
TOTAL ANNUAL OPERATING BUDGET	\$ 886,126

Subject: File No. 332-09024.PEM
Oakland University
Human Health Building
Rochester, Michigan

Schematic Design prepared by: SmithGroup, Incorporated

Tab E – Design and Construction Schedule

Study / Program Analysis / Schematic Design Phases.....	April – June 2009
State of Michigan DMB Review.....	July, 2009
Design Development Phase.....	July – November 2009
State of Michigan DMB Review.....	December 2009
Final Design.....	December 2009 – April 2010
Groundbreaking.....	April 2010
State of Michigan DMB Review.....	May 2010
Bid and Award.....	May 2010
Construction.....	June 2010 – May 2012

This project will be executed using a construction management delivery method. A construction management firm will be selected through a competitive process during the design phase.