

SUPPLEMENTAL

THE UNIVERSITY OF MICHIGAN REGENTS COMMUNICATION

ACTION REQUEST

SUBJECT: Michigan Medicine Childcare Facility

ACTION
REQUESTED: Approval to Proceed with Project

Background

University employees, and Michigan Medicine employees specifically, have significant need for childcare. Currently, there are limited options with sufficient flexibility to meet employee needs, and even fewer options in close proximity to the medical center campus. The demand for services at our existing, on-campus children's centers far exceeds capacity.

To better meet the needs of our medical center employees, the university would like to enter into a contractual agreement with an experienced outside partner that will take the lead in designing, building and operating a childcare services center for Michigan Medicine employees on university property at Cornwell Place, to the east of Ingalls Street and in close proximity to the School of Nursing (see attached map).

We intend to structure our contract to take advantage of our partner's national childcare expertise. Specifically, we would enter into an agreement with the partner to design, build and operate the childcare facility, subject to university oversight described below. The university would retain ownership of the land and building and be responsible for financing the construction.

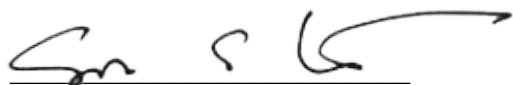
As part of the design-build contract, the partner would be required to comply with university building standards and design guidelines, and in the operating agreement we would establish key performance indicators (KPIs) for operational performance, to which the partner would be held accountable. We would also require final university approval of building design prior to construction. Facilities & Operations will manage clearing the site in advance of the construction, which includes the removal or demolition of two houses.

Given the unique nature of this project, we would like to secure Board approval to proceed with this project and engage in a contractual agreement with an outside vendor. To enable the expedited management of the project, including efficient oversight of the relationship with an outside partner, we recommend that the Board delegate authority to the Executive Vice President and Chief Financial Officer for preparing the site, selecting and contracting with the partner (including, but not limited to an operating agreement and/or lease with normal and customary terms for a market transaction of this

nature), approving design and negotiating all other construction and operations-related matters on this project, with total expenditures not to exceed \$12 million.

We recommend the Regents approve entering into a contractual agreement with an outside childcare provider and delegate authority to the Executive Vice President and Chief Financial Officer to select the provider and oversee all matters related to the contracting, design, construction and operations of this project, with a total budget of up to \$12 million.

Respectfully submitted,

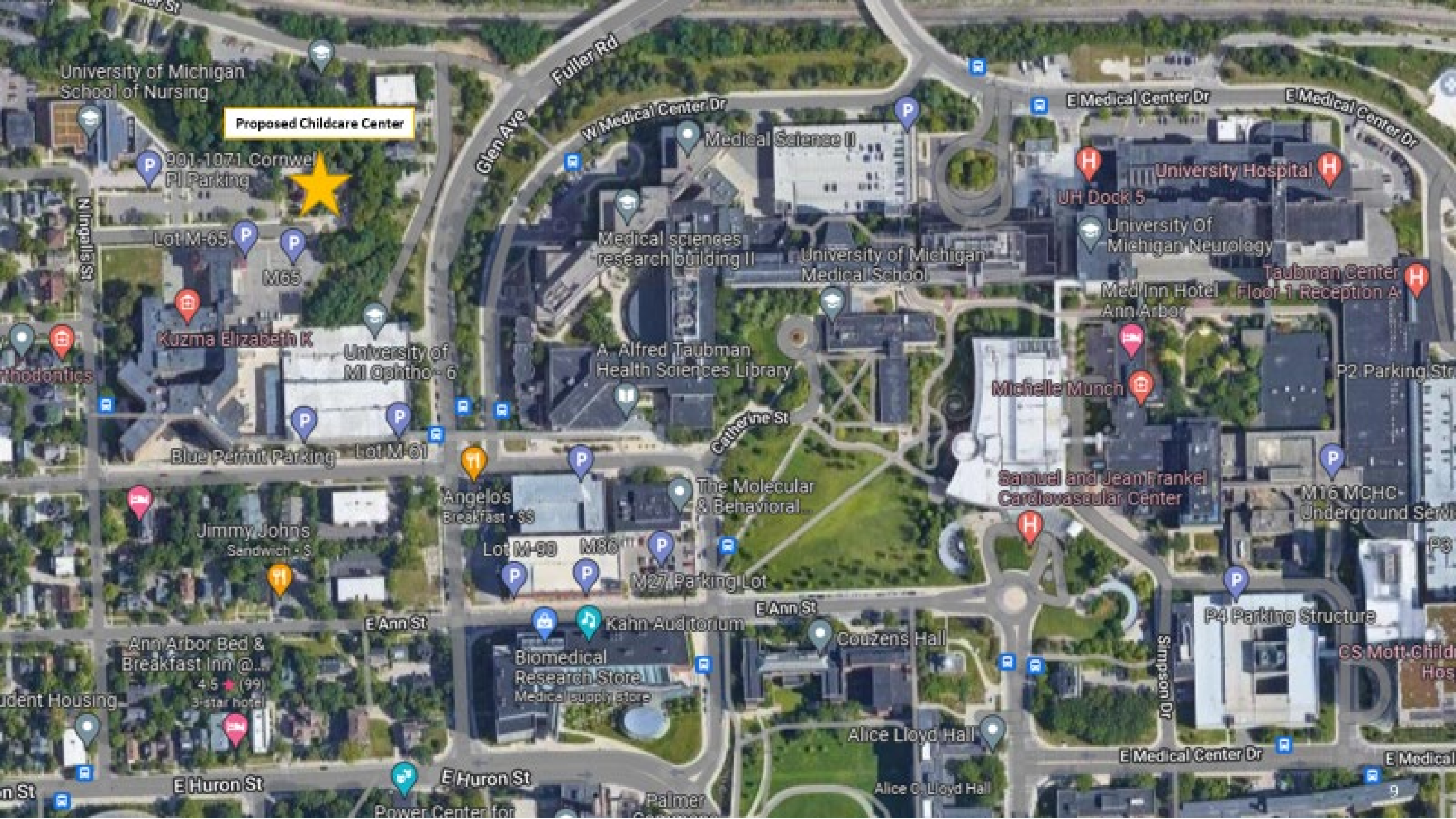


Geoffrey Chatas
Executive Vice President and
Chief Financial Officer



Marschall Runge
Executive Vice President for
Medical Affairs and Dean of the
Medical School

October 2022



Proposed Childcare Center



University of Michigan School of Nursing

901-1071 Cornwell Pl Parking

Lot M-65

M65

Kuzma Elizabeth K

University of MI @kitho - 6

Blue Permit Parking

Lot M-61

Jimmy Johns Sandwich - \$

Angelo's Breakfast - \$\$

Lot M-99

M88

M27 Parking Lot

Kahn Auditorium

Biomedical Research Store Medical supply store

E Ann St

E Huron St

E Huron St

Palmer

Power Center for

Glen Ave
Fuller Rd

W Medical Center Dr

Medical Science II

Medical sciences research building II

University of Michigan Medical School

A. Alfred Taubman Health Sciences Library

The Molecular & Behavioral

Catherine St

Michelle Munch

Samuel and Jean Frankel Cardiovascular Center

Couzens Hall

Alice Lloyd Hall

Alice G. Lloyd Hall

E Medical Center Dr

University Hospital

UH Dock 5

University Of Michigan Neurology

Taubman Center

Med Inn Hotel Floor 1 Reception A Ann Arbor

P2 Parking Str

M16 MCHC-Underground Sewer

P4 Parking Structure

CS Mott Child Hos

E Medical Center Dr

E Medical

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