

**NBJ Project
King County Oversight
Project Status Report**

September 2007

Submitted by: Pat Clickener

September 15, 2007



Executive Summary

This is the third of 6 oversight reports to be submitted under the current KC/JLL Contract # T02739T providing construction oversight of the Ninth and Jefferson Building at Harborview Medical Center. This third period included two site visits and attendance at two “Tenant Improvement” meetings.

The single page Summary Matrix for this project is attached. Recall that this document lists only current activities that may affect the cost, schedule, or quality of this project. Follow up comments on these topics are listed at the end of this report. These items will be tracked until an appropriate resolution is achieved.

The project is currently progressing according to schedule and is within budget. Use of general contingency funds has been judiciously approved to date. While we are waiting to discover the fiscal result from the proposed change in Med Gas equipment all team members weighed in on the issue and support the proposed alternate.

II. Design

Tower and Core: 8/16/07: The only design issue for the team is a difference between WRC and the designer with regard to the Portal design. This difference has moved to a level of High Priority. I hope to investigate the details regarding this difference at the project meeting August 22nd and include follow up next report. **9/15/07: This issue regarding the Main Entry Automatic Doors was resolved. Turner recorded the conclusion in September 10th project meeting.**

General Comment: Early in September Wright Runstad began the process to establish the location and colors for way finding to each floor of the building. Additionally, members of the NBJ team had preliminary discussions with the Department of Health to determine their depth of inquiry into NBJ details. At the September 11th TI meeting, a schedule and list of drawings for the first formal meeting with the Department of Health was decided on.

Following is a current statistical summary of building details:

	<u>Original NJB Scope</u>	<u>Aug. Report</u>	<u>Current Record</u>
Building:	440,000 GSF (Gross SF)	437,999 GSF 424,992 RSF (Rentable SF)	437,999 GSF 424,992 RSF
Parking:	600+ Spaces	673 Spaces 237,629 SF	650 Parking Stalls**

**The difference in the above statistics is assumed in part to be the Garage area taken to locate the Server.

TI (Tenant Improvements): An extended list of tenants and their locations in the NBJ is outlined on the attached project matrix. Next month, those tenant names and appropriate commentary regarding the progress of their plans will be included in this document. In the future, the general progress of tenant improvement planning on a floor by floor basis will be shown on that Matrix.

TI design is progressing ahead of schedule and is allowing some known structural, mechanical and electrical details to be coordinated within the building structure prior to concrete placement.

The current design challenge for Wright Rundtad, Architect and Structural/MEP (Mechanical, Electrical, and Plumbing) consultants is securing timely decisions regarding equipment purchase choices by tenants who will occupy the first several floors of the building. In medical facility planning and construction, this is routinely a problem because the usual tenants who occupy the lower floors require equipment that needs greater structural support & detail as well as mechanical, electrical and sometimes plumbing needs.

If the design team knows about specific equipment choices, structural, mechanical, and electrical details can be incorporated in shell and core details reducing the need for costly change orders as TI details are completed. On this project, future TI design details developed too late to be accommodated while the Shell and Core are being designed and built will cost more than details identified at this early stage in the process.

The preliminary TI meetings have included extended discussions between the Architect, MEP consultants and Harborview identifying the reason for early selection of equipment by these lower floor tenants. Also discussed were alternate ways of moving ahead with shell and core construction details when specific equipment has not been determined.

Greater background regarding progress concerning this early TI challenge will follow in the October report.

III. Permits & Public Agencies

The **July** report indicated that “A high priority was focused on securing the Structural Permit or Construction might halt. General consensus was that it would be secured before any work needed to be stopped. A complete set of permit drawings were submitted to DPD on March 16th and all DPD departments had signed off on the permit except Seattle Fire. In **August** a last minute update from WRC indicates that they have come to a verbal agreement with DPD that will make it possible to continue construction for the next several months securing various inspections while waiting for Seattle Fire to complete their plan review and before the full building permit will be required. On 8/29/07 WRC secured a structural permit extending the original garage permit to the underside of the 3rd floor.

- Currently the permit documents are being processed, and receipt of a complete building permit was expected by September 14th.
- Confirmation of same will be recorded in my next report. The Mechanical permit will not be released until the building permit is issued:

IV. Contracting and Procurement

Turner has finalized subcontracts for most key scopes of work, and is very close to finalizing subcontracts for the remainder of the work. This is good news! In many of the subcontractor cases, the current NBJ project risk was born by Wright Runstad and/or Turner but in the current materials market, there is always a concern that material costs will unexpectedly escalate and/or that competition in the market will drive labor costs up. To date, it appears that overall the finalized contracts are within budget estimates.

V. Construction

The first delivery of large medical air and building air compressor equipment was received at the project site the week of Sept. 2nd. This equipment supports the IEB and will be installed on Level G. The changes to medical air equipment that are being considered (as referenced above), relate to backup, redundant equipment and the changes will not affect the project schedule.

VI. Financial Update

Current monthly financial updates were provided for review.

Change Order Summary:

Change Order #1 – Server Room Early Costs - \$537,516

**Design costs for entire server room change and Seattle City Light cost for the addition of a second transformer vault.
To be funded outside of the project (Tower & Core) financing.**

Change Order #2 – Server Room - \$7,092,735

**Entire cost beyond CO #1 for the server room construction.
To be funded outside of the project financing.**

Change Order #3 – Duress Alarm Stations - \$114,336

**Costs to add duress alarm stations throughout the parking garage.
To be funded from project allowances within the Tower & Core development budget**

Change Order #4 - Parking and Access System Upgrades

costs to be funded from Owner Contingency.

Critical Issues

Current high priority issues are on the TI side of planning. As noted earlier in this report, expediting timely equipment selection to improve detail co-ordination with Shell and Core planning and construction is now in the forefront. Currently, this planning does not threaten the schedule.

Carry Forward Log (Subjects from Previous Oversight Report)

Construction Issues being tracked

Team embraced inclusion of product in concrete to improve waterproofing over Server area.
August: Close Item No ongoing issue for background info. Only

Canopy fabric final selection pending
August: Close Item, no problem for seen

Watch final details, specification, gauge of material used for cap over stone at roof
August: Continued subject tracking
September: Closed Item Sept. 10, 2007

Team to be present when top coat on deck is raked, concern it might be too rough, not durable
August: Continued subject tracking.
September: Closed Item, not ongoing issue, background info. only

The mechanical contractor moved ahead w/ med gas equipment without entire team sign off. Being resolved.
August: Resolution in progress, continue to follow.
September: All NJB Med Gas Equipment will serve as redundancy to the Harborview Campus. Harborview has requested revisions to the systems. Changes created lead time issues for the equipment delivery and commissioning. This change in schedule does not appear to be on the critical path. The item remains on watch until the fiscal side of this issue is confirmed.

Schedule Status/Issues

Elevator Submittals partial to keep going, 2nd submittal will be finishes.
August: Close item, no issue.

Qwest indicated they are 6 months behind, team members following up, doing what it can.
August: Continue to follow
September: Quest confirmed that they will be able to meet NBJ schedule. Close Item

Structural Permit was not received by 8/2, but construction has continued. Continue tracking
August: While this could have been a critical issue, last minute interim resolution seems to have solved the immediate concern. Will report again in September.
September: Permit approved, Documents being prepared. Issue Closed

Elevator Companies in Seattle are behind with all construction projects, team doing what it can.
August: Continue to follow
September: No new discussion regarding this topic.

STATUS / ISSUES	GENERAL OBSERVATIONS
<p>NJB Building Construction (Issues to track)</p> <p>■ UMC moved ahead w/ med gas equipment without entire team sign off. 9/15/07 Harborview requested changes, continue watching related financial. See Exec. Summary for more.</p> <p>■ Subcontractor buyout is progressing. With each agreement, the chance of cost escalation decreases.</p> <p>Harborview / Tenant Improvement Issues</p> <p>■ Officially, Harborview has met the Sept.1st deadline of identifying the location of tenants within the building.</p> <p>■ Overall TI planning is ahead of schedule. Detail in Summary</p> <p>Schedule Status/Issues</p> <p>■ Server Room layout has been approved by tenant. Design team working on Elec. & HVAC.</p> <p>■ Pending changes by Harborview for building air & med. Compressor systems will have an effect on the delivery schedule, but Harborview, KC, and UW support these changes which are for redundant pieces of equipment, not primary support units. Will follow.</p> <p>■ Budget or Schedule at Risk ■ Some Concern-Topic Being Reviewed ■ Currently No Issue, Follow up shows on extended report.</p>	<p>1. ALL permit review & approvals including Fire. Documents being processed, Permit expected in hand by Sept.14th. Mechanical Permit to follow.</p> <p>2. Tenants who will occupy floors 2-4 are being encouraged to identify specific desired equipment so that mechanical, structural, and electrical details can be planned for and roughed in with shell and core completion. Detail in Summary</p>
	CHART PENDING
	In October, this space will track the tenant improvement design and construction progress.

COST SUMMARY	ORIG KC APPROVED BUDGET	CURRENT Proposed BUDGET (WRC 9/10/07)	FORECAST @ COMPLETION (WRC 9/10/07)	COMMITMENTS (Not yet in forecast)	ACTUAL COST TO DATE (WRC Sept.07)	REMAINING * incomplete
SHELL AND CORE						
ARCH. & ENGINEERING CONSTRUCTION (Incl. WRC Contingency)	\$4,472,000	\$4,644,000	\$4,644,000		\$3,686,186	\$957,814
MISCELLANEOUS	99,798,000	\$106,992,037	\$106,992,037		\$21,671,688	\$85,320,349
GENERAL CONTINGENCY	1,634,000	\$1,234,000	\$1,234,000		\$290,982	\$943,018
PROJECT ADMINISTRATION	5,103,000	\$5,383,869	\$5,383,869		\$0	\$5,383,869
SUB-TOTAL	6,705,000	\$7,068,345	\$7,068,345		\$618,660	\$6,449,685
SERVER ROOM = CO#1 & #2						
CONST./AE/WR	\$6,922,057	Included Above	Included Above		Included Above	Included Above
CONTINGENCY	\$346,103	CO #1&2	CO #1&2		CO #1&2	CO #1&2
ESCALATION	389,856	See Note below	See Note below		See Note below	See Note below
SUB-TOTAL	\$7,658,016	Incl. Above	Incl. Above		Incl. Above	Incl. Above
TENANT IMPROVEMENTS						
TENANT IMPROVEMENT COST	\$47,423,000	\$47,443,000	\$47,463,000		\$186,155	\$47,276,846
TENANT DESIGN CONTINGENCY	11,500,000	\$11,500,000	\$11,500,000		\$0	\$11,500,000
SUB-TOTAL	\$58,923,000	\$58,943,000	\$58,943,000		\$186,155	\$58,756,846
TOTAL PROJECT	\$184,293,016	\$184,265,251	\$184,265,251		\$26,453,670	\$157,811,581

Tenant Improvement Design Status		Floor	LOCATED &/or COMMITTED	PROGRAM	SCHEMATIC DESIGN	DESIGN DEVELOPMENT	FORECAST COMPLETION
KCME LOADING DOC	G	FIRM	SIGNED OFF	COMPLETE	WORKING		
PATHOLOGY MORGUE	G	FIRM	WORKING				
FINANCE	1	PENDING	SMALL AREA				
PHARMACY	1	FIRM					
ITA COURT	2	FIRM	SIGNED OFF	COMPLETE	WORKING		
KCME LAB	2	FIRM	SIGNED OFF	COMPLETE	WORKING		
PATHOLOGY	2	FIRM	SIGNED OFF	COMPLETE	WORKING		
SCHOOL OF MEDICINE RESEARCH LAB	3	FIRM	SIGNED OFF	COMPLETE			
ISIS LAB	3	PROBABLE					
BLOOD CENTER	3	FIRM	WORKING				
RADIOLOGY	3	FIRM	WORKING	EARLY BLOCK			
FREEZER FARM	4	PROBABLE	HOLDING PLACE				
SLEEP CENTER	4	FIRM	WORKING				
CONFERENCE CENTER LECTURE ROOMS	4	PROBABLE	HOLDING PLACE				
RADIOLOGY	5	FIRM	WORKING				
MULTIPLE CLINICS	5	FIRM	WORKING				
NEURO OFFICE(S)	6	FIRM	WORKING				
STROKE NEUROLOGY	7	PROBABLE					
EPILEPSY	7	PROBABLE					
RADIOLOGY CLINIC	7	FIRM	WORKING				
12TH AVENUE CLINIC	7	FIRM	WORKING				
REHAB GYM	7	FIRM	WORKING				
HAND CENTER	7	FIRM	WORKING				
ORTHO CLINIC / FOOT AND ANKLE	7	FIRM	WORKING				
EYE INSTITUTE	8	PENDING 8 OR 9	WORKING				
KIDNEY INSTITUTE	8	FIRM					
ORTHO OFFICES	8	FIRM	SIGNED OFF	WORKING			
IT SERVICES	9	FIRM	SIGNED OFF	WORKING			
IT SERVICES	10	FIRM	SIGNED OFF	WORKING			
HARBORVIEW IT SERVICES OFFICE	11	FIRM	SIGNED OFF	WORKING			
CIS OFFICES	11	FIRM	SIGNED OFF	WORKING			
PCIS OFFICE	11	FIRM	SIGNED OFF	WORKING			
IT SERVICES OFFICE	11	FIRM	SIGNED OFF	WORKING			
VIROLOGY	12	FIRM	SIGNED OFF	Complete			
CFAS OFFICE	12	FIRM					
KING COUNTY STD CLINIC & OFFICES	12	FIRM	WORKING				
GLOBAL HEALTH	13	FIRM					
GLOBAL HEALTH	14	FIRM					