

**NJB Project
King County Oversight
Project Status Report**

November 2007

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I. Executive Summary

This is the fifth 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 fifth period included two site visits, attendance at two “Tenant Improvement” team meetings and one “Shell and Core” team meeting.

The single page Summary Matrix for this project is attached. While the Summary Matrix 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 executive summary. These items will be tracked until an appropriate resolution is achieved.

The Shell and Core Building construction process is currently on time and in budget. The project is actually slightly ahead of schedule. Similarly, Tenant Improvement planning continues to be on schedule. Several of the confirmed tenant groups have not decided to move into the building, however, there are multiple other tenants waiting to be confirmed for space in the building. There is no concern that the entire building will be occupied. This mid TI tenant shuffle is not unusual especially within academic medical communities.

A 5th Change Order was processed during the month of October. The \$44,399 cost was associated with awarding of a contract for the building controls package to a Vendor of choice rather than the less costly vendor recommended by Wright Runstad. This contractor choice was requested by Harborview Engineers and a detailed explanation is included in this report.

II. Design

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*	437,999 GSF 424,992 RSF
Parking:	600+ Spaces	673 Spaces 237,629 SF	650 Parking Stalls**

* Rentable Square Feet

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

Shell and Core:

The server room design has been approved by the tenant for layout including electrical and HVAC equipment specifications. Final details are now being confirmed by the design team.

Several weeks ago, Harborview requested changes to the design of the building air and medical air compressor system that provide redundant support to the IEB. These changes resulted in a delay in the ability to complete the systems by the contractually-required date in order to support the IEB's original schedule. (Dec. 14th was the WRC contractual delivery date for both the Medical Gas system and the building generators.)

This delay is agreed to by all parties (Harborview, King County, U.W). The requested changes take priority over meeting the original schedule obligation date since the new delivery date will still be in time to support the current IEB schedule and the Mid March need for the Med. Gas systems.

At the same time, the switch gear for the generator is backordered and delivery of a vault was delayed, so meeting the December target delivery date was not possible. However, the Harborview Inpatient Expansion Building team will not be ready to test this equipment until late January, so pushing the delivery date for the generator out to early January was agreed to by all team members. Currently, the generator is scheduled for delivery in early January, approximately 1 month before IEB systems will be tested.

Neither the change in medical gas equipment nor the generator will delay the NJB schedule or are projected to result in additional costs.

For the purposes of this report, follow up for this issue will be detailed in the Carry Forward Log at the end of this report with a Green classification.

TI (Tenant Improvements):

PHASES OF TI PLANNING (These definitions will remain in this document for reader reference while reviewing the Matrix Report and details in these status reports).

Approx. Time

- | | | |
|----|-----|--|
| A. | 10% | PROGRAM – Space Programming questionnaire: Completion by <u>each</u> tenant and return to Design Team |
| B. | 10% | PROGRAM - Preliminary Space Plan based on questionnaire: Submission by Design Team to Tenant |
| C. | 30% | SCHEMATIC DESIGN - Actual Space Planning: One or more preliminary design discussions &/or meetings based on A, B, and subsequent discussions |
| D. | 30% | DESIGN DEVELOPMENT - Process of assuring that structural, mechanical, and electrical requirements for specific type of occupant, their furniture, equipment, and operations are incorporated in the plans |
| E. | 20% | COMPLETION - Construction Documents: This final set of drawings requires sign off by the tenant of Design Development details and subsequent changes usually create costly change orders |

III. Permits & Public Agencies

- The Building Permit has been secured for the complete shell and core project, which includes the garage and tower.
- The Mechanical and Electrical permits have also been secured.
- **Permit applications have been submitted for the hazardous material storage rooms (generator fuel storage and medical gas storage). A timely inspection and permit approval is expected.**

IV. Contracting and Procurement

Various materials have been purchased ahead of their scheduled install in a cost savings measure. Price increases were anticipated for such things as electrical conduit, lighting fixtures, form lumber, masonry and cement, drain pipe, etc. WRC provided both Bill of Sale, Insurance Certificates, other appropriate paperwork and security confirmation before these materials were approved for payment.

V. Construction

During the first week of November, the total development project is estimated to be 33% complete. Pay requests bring project disbursements to 31% of the total hard cost funds. Given the amount of stored materials that were included in these draws, this 2% lag between complete “work plus materials stored” and “funds expended” is inline with industry standards.

VI. Financial Update

During the month of October, Change Order #5 was reviewed and authorized. This CO represents additional costs associated with awarding the building controls package to Johnson Controls, Inc., the preferred building controls contractor for Harborview Engineers. WRC recommended Allerton Controls based on past experience with performance capabilities, customer service, and lower proposal cost. Harborview Engineers preferred Johnson Controls for vendor consistency, specifically to alleviate time and cost to training their facilities personnel on different software used by Allerton.

Change Order Summary

<u>Change Order # - Item</u>	<u>\$ Value</u>	<u>Description</u>
#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. Funded outside of the project (Tower & Core) financing.
#2 – Server Room	\$7,092,735	Entire cost beyond CO #1 for the server room construction. Funded outside of the project financing.
#3 – Duress Alarm Stations	\$114,336	Costs to add duress alarm stations throughout the parking garage. Funded from project allowances within the Tower & Core development budget.
#4 - Parking & Access System Upgrades	\$22,869	Funded from Owner Contingency
#5 - Selection of Preferred Building Control Vendor	\$44,399	Funded from Owner Contingency (11/15/07 Explanation noted above).
Unknown		Increased costs associated with changes in Medical Gas Changes. 11/15/07. No additional costs are anticipated.

Carry Forward Log (Subjects from Previous Oversight Report)

Construction Issues



- July Team embraced inclusion of product in concrete to improve waterproofing over Server area. **August: Close Item Sept 2007**
- July Canopy fabric final selection pending . **August: Close Item Sept 2007**
- July Watch final details, specification, gauge of material used for cap over stone at roof. August: Continued subject tracking. **September: Closed Item Sept. 10, 2007**
- July 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 Sept 2007**



- July UMC (Engineer) moved ahead w/ medical gas equipment without entire team sign off. Being resolved.
August: Resolution in progress, continue to follow.
September: All NJB Medical Gas Equipment will serve as redundancy to the Harborview Campus. **September:** HMC requested revisions to the systems. Changes created lead time issues for the equipment delivery and commissioning. 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. **October:** Turner has submitted CO to Wright Runstand, Project CO pending. **November: No new information to date either on cost or schedule. CO has not been developed, team is waiting to understand full economic and schedule impact.**

Schedule Status/Issues



- July Elevator Submittals partial to keep going, 2nd submittal will be finishes.
August: Close item Sept 2007
- July 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 Sept. 2007**
- Aug 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. **October:** Permits Secured, full Tower and Core, Mechanical and Electrical through Floor 4. **Item Closed**



- July 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. **October:** No new discussion

STATUS / ISSUES	GENERAL OBSERVATIONS
<p style="text-align: center;">NJB Building Construction (Issues to track)</p> <p>■ UMC Engineers use of Johnson Controls as preferred vendor is the subject of Change Order #5. \$44,399. This topic is closed and description of issue can be found in the November status report.</p> <p>■ Examples of TI details that are being included in the Shell and Core construction are floor recesses to accommodate walk in coolers, thickened slab to accommodate strict vibration limitations for MRI and CT equipment, and floor sleeves for plumbing drains.</p> <p style="text-align: center;">Harborview / Tenant Improvement Issues</p> <p>■ Several tenants Harborview confirmed have decided not to move into the building. However for tenant who has changed their mind, there seems to be one or more ready to take their place. This is normal at this time in the planning, & will only become an issue if new plans do not move quickly.</p> <p>■ TI planning continues to be ahead of schedule.</p> <p style="text-align: center;">Schedule Status/Issues</p> <p>■ IEB Generators were to be functional Dec14th, but extensions were allowable per contract. The Med Gas system was also scheduled for delivery Dec.14th. Delivery dates for each system has been pushed out with no effect on the NJB or IEB schedules or costs. Details in Summary/Design</p>	<p>1. WRC is actively talking to a Coffee Retailer, Bank/Credit Branch, Fitness Center, and a Sandwich shop for the retail space.</p> <p>2. The overall Shell/Core and TI development schedule is slightly ahead of schedule, WRC has been able to purchase and store a variety of materials on and off site, prior to announced price increases, helping to confirm those material expenditures in budget.</p> <div style="text-align: center; border: 1px solid black; padding: 5px;"> <p>TI Planning % Complete</p> <p style="font-size: small;">Floor (G=1, Level 1=2, etc.)</p> </div>
<p>■ Budget or Schedule at Risk</p> <p>■ Some Concern-Topic Being Reviewed</p> <p>■ Currently No Issue, Follow up shows on extended report.</p>	

COST SUMMARY	ORIG KC APPROVED BUDGET	CURRENT Proposed BUDGET (WRC 9/10/07)	FORECAST @ COMPLETION (WRC Nov.07)	COMMITMENTS (Not yet in forecast)	ACTUAL COST TO DATE (WRC Nov.11.07)	REMAINING * Incomplete
SHELL AND CORE						
ARCH. & ENGINEERING	\$4,472,000	\$4,644,000	\$4,644,000		\$3,753,469	\$890,531
CONSTRUCTION (Incl. WRC Contingency)	99,798,000	\$106,992,037	\$106,985,502		\$31,244,810	\$75,740,692
MISCELLANEOUS	1,634,000	\$1,234,000	\$1,234,000		\$292,647	\$941,353
GENERAL CONTINGENCY	5,103,000	\$5,383,869	\$5,383,869		\$0	\$5,383,869
PROJECT ADMINISTRATION	6,705,000	\$7,068,345	\$7,068,345		\$701,148	\$6,367,197
SUB-TOTAL	\$117,712,000	\$125,322,251	\$125,322,251		\$35,992,075	\$89,330,176
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	Most in CO #1 & 2	Most in CO #1 & 2		Most in CO #1 & 2	27,775
SUB-TOTAL	\$7,658,016	Incl. Above	Incl. Above		Incl. Above	\$27,775
TENANT IMPROVEMENTS						
TENANT IMPROVEMENT COST	\$47,423,000	\$47,443,000	\$47,463,000		\$707,090	\$46,755,910
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		\$707,090	\$58,235,910
TOTAL PROJECT	\$184,293,016	\$184,265,251	\$184,265,251		\$36,699,164	\$147,566,087

TI DESIGN SUMMARY	Floor	LOCATED &/or COMMITTED	PROGRAM	SCHEMATIC DESIGN	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS	FORECAST COMPLETION
KCME LOADING DOCK	G	FIRM	SIGNED OFF	COMPLETE	COMPLETE	WORKING	
PATHOLOGY MORGUE	G	FIRM	WORKING				
FINANCE	1	PENDING	SMALL AREA				
PHARMACY	1	FIRM					
ITA COURT	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	WORKING	
KCME LAB	2	FIRM	SIGNED OFF	COMPLETE	WORKING		
PATHOLOGY	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	WORKING	
SCHOOL OF MEDICINE RESEARCH LAB	3	FIRM	SIGNED OFF	COMPLETE	COMPLETE	WORKING	
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	Not moving in			
STROKE NEUROLOGY	7	PROBABLE	May move to 5				
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	PENDING CHANGE			
IT SERVICES	9	FIRM	SIGNED OFF	SIGNED OFF			
IT SERVICES	10	FIRM	SIGNED OFF	SIGNED OFF			
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	SIGNED OFF			
VIROLOGY	12	FIRM	SIGNED OFF	COMPLETE			
CFAS OFFICE	12	FIRM					
KING COUNTY STD CLINIC & OFFICES	12	FIRM	WORKING				
GLOBAL HEALTH	13	FIRM	Near Completion				
GLOBAL HEALTH	14	FIRM	Near Completion				