

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

**December 2007**

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**December 15, 2007**



## I. Executive Summary

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This is the sixth 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 sixth period included two site visits and attendance at two “Tenant Improvement” team meetings.

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 continues on time and in budget. The project is actually slightly ahead of schedule. Similarly, Tenant Improvement planning continues to be on schedule. While several of the confirmed tenant groups have not decided to move into the building, there are multiple other tenants waiting to be confirmed for space in the building. The only available space that challenges an orderly completion of Tenant Improvement space is 5,300 SF on Floor (3) three.

There is no concern that the entire building will be occupied but the absence of an identified occupant and completion of preliminary planning for the available space on floor 3 is less than desirable for sequential completion of TI space in the building. At this time, the absence of a specific tenant is not critical to the space planning efforts. However identification of the future tenant at this point could cost more than it would have earlier in the planning process.

No new change orders were processed this month. Project disbursements are at 39% while project completion is estimated to be at 40%. The 39% includes a significant amount of materials stored on and off site for future install. These fiscal parameters are in line with industry standards.

## II. Design

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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 assumed in part to be the Garage area taken to locate the server.

The design of the building lobby has been issued to the contractor for construction. Areas in the building have been designated for Art and the selection process for artists is underway. Coordination between artists, project designers, and contractors will begin soon according to WRC.

## **Shell and Core:**

The server room design had been approved by the tenant for layout including electrical and HVAC equipment specifications. During the last server room meeting the cooling system went back to the original plan. NBBJ, UMC and Sequoyah are to complete the drawing package by 1/30/07. At this time, it does not appear that this reversal in planning will substantially affect the schedule or delivery of the server space, however, this is an issue to track.

Fire Resistant Awning Fabric has been required by the City of Seattle. These awnings are detailed along the retail level of the project. According WRC, this custom fabric has a significant cost increase due to the minimum quantity order requirement. This too is an item to watch from an economic impact standpoint.

Water damage from the 12/2-12/3 100 year rain storm caused an entire work day by the entire 40 man Turner crew to be spent managing the water. There was minimal damage in the garage since precautionary water control measures were in place. Some insulation and drywall will need to be replaced. Usually this cost is covered by insurance; therefore, this item is closed.

Last month, changes involving the delivery schedule for the IEB Generator were noted. This month, additional extensions to the IEB Generator Completion have been granted to the NJB Project as allowed by schedule extensions to the IEB Project Substantial Completion.

## **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% | <b>PROGRAM</b> – Space Programming questionnaire: Completion by <u>each</u> tenant and return to Design Team   |
| B. | 10% | <b>PROGRAM</b> - Preliminary Space Plan based on questionnaire: Submission by Design Team to Tenant  |
| C. | 30% | <b>SCHEMATIC DESIGN</b> - Actual Space Planning: One or more preliminary design discussions &/or meetings based on A, B, and subsequent discussions  |
| D. | 30% | <b>DESIGN DEVELOPMENT</b> - 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

It was mentioned in a previous report that early tenant improvements construction start is approximately April 2008, and some of the mechanical & electrical elements could begin the rough-in stages as early as December of 2007 on levels 2 and 3.

Several tenant improvement items have been planned into the construction of the core and shell of the building such as:

- Floor recesses to accommodate walk-in coolers, trench drains, etc.
- Removable skylights above the MRI equipment locations to facilitate loading the equipment in and out of the building with a crane.
- Thickened slab area to accommodate the strict structural vibration limitations of MRI & CT equipment.
- Floor sleeves for plumbing drains.

**During the last month, the following items have been incorporated into the shell and core plans:**

- **Communication cabling backbone**
- **Pneumatic tube system**

### **III. Permits & Public Agencies**

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- 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**

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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 Bill of Sale, Insurance Certificates, other appropriate paperwork and security confirmation before these materials were approved for payment.

**December: As noted in November, materials are being stored on and off site for future install. There is a security fence surrounding the property to protect stored materials. Structural steel and curtain wall materials are stored off site and the appropriate documentation for these materials was provided by the contractor including a Bill of Sale, Insurance certificate and UCC-1 form.**

## V. Construction

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During the first week of December, the total development project is estimated to be 40% complete. Pay requests bring project disbursements to 39% of the total hard cost funds. Given the amount of stored materials that were included in these draws, this 1% lag between complete “work plus materials stored” and “funds expended” is inline with industry standards.

## VI. Financial Update

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Additional cost break out from the Shell and Core Total Project Costs that were not previously detailed in the associated Project Matrix are listed below and will be tracked from this report forward:

\$5,145,059	Contractor’s Contingency
\$1,320,000	Owner Contingency
\$5,103,000	General Contingency

### Change Order Summary

<b><u>Change Order # - Item</u></b>	<b><u>\$ Value</u></b>	<b><u>Description</u></b>
#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).

Note: November 2007

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. September: All NJB Medical Gas Equipment will serve as redundancy to the Harborview Campus. HMC requested revisions to the med gas 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. No new information to date either on cost or schedule. CO (WRC to Owner) has not been developed, team is waiting to understand full economic and schedule impact. **Closed November 2007**

- December** The server room design had been approved by the tenant for layout including electrical and HVAC equipment specifications. During the November server room meeting the cooling system went back to the original plan. NBBJ, UMC and Sequoyah are to complete the drawing package by 1/30/07. Construction of the space will start after the tower crane is removed and the Generator, etal will be delivered in April. This is an issue to watch, but at this time is not critical.
- December Awning Fire Resistant Fabric has been required by the City of Seattle. According WRC, this custom fabric has a significant cost increase due to the minimum quantity order requirement. This too is an item to watch.
- December Water damage from the 12/2-12/3 100 year rain storm caused an entire work day by the entire 40 man Turner crew to be spent managing the water. There was minimal damage in the garage since precautionary water control measures had been taken. Some insulation and drywall will need to be replaced. Usually this cost is covered by insurance, therefore, this item is generally closed, but will watch until insured cost confirmed.

### Schedule Status/Issues



- July Elevator Submittals partial to keep going, 2nd submittal will be finished **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. **November 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. **December: No new discussion**

STATUS / ISSUES	
<b>NJB Building Construction (Issues to track)</b>	
<span style="color: green;">■</span>	A change in direction in the Server Room design warrants tracking although at this time, the appear to be driven by future needs and our ability to redirect this design to meet some of those This issue will be further discussed in January when greater detail and conclusions are available.
<span style="color: green;">■</span>	A custom fire resistant fabric has been called for by the City of Seattle. There may be additional associated with this requirement, therefore the issue is on our watch list.
<b>Harborview / Tenant Improvement Issues</b>	
<span style="color: yellow;">■</span>	The absence of an identified tenant for 5,300 SF on the third floor of the building could threaten orderly completion of TI work in the building, while it is of some concern, unless the future tenant required significant custom details for equipment or use of the space, an accelerated planning could make up for time lost.
<b>Schedule Status/Issues</b>	
<span style="color: green;">■</span>	Currently, both the Core and Shell, and TI Planning are on schedule. Recent water damage to work in place will require rework, however, until that work is known to effect the budget or schedule this item will be routinely followed.
<span style="color: red;">■</span>	Budget or Schedule at Risk
<span style="color: yellow;">■</span>	Some Concern-Topic Being Reviewed
<span style="color: green;">■</span>	Currently No Issue, Follow up shows on extended report.

GENERAL OBSERVATIONS	
1. Shuffling of tenants on certain floors of the building and delayed planning for those appear to be the only threat to project schedules, so this planning is being watched. Both Harborview personnel and the designers working with prospective tenants continue to indicate that there are tenants waiting in line to be included in the new building.	
2. Wright Runstad continues to pursue and incorporate as many early planning TI details in the Shell and Core final design plans as possible. Several major systems were accommodated this month to include the Pneumatic Tube and Communications	
<b>Tenant Planning % Complete to Date</b> 	

COST SUMMARY		ORIG KC APPROVED BUDGET	CURRENT Proposed BUDGET (WRC 9/10/07)	FORECAST @ COMPLETION (WRC Dec.07)	COMMITMENTS (Not yet in forecast)	ACTUAL COST TO DATE (WRC Dec7.07)	REMAINING * Incomplete
<b>SHELL AND CORE</b>							
ARCH. & ENGINEERING		\$4,472,000	\$4,644,000	\$4,644,000		\$3,779,845	\$864,155
CONSTRUCTION (Incl. WRC Contingency)		99,798,000	\$106,992,037	\$106,985,502		\$39,138,213	\$67,847,289
MISCELLANEOUS		1,634,000	\$1,234,000	\$1,234,000		\$298,589	\$935,411
GENERAL CONTINGENCY		5,103,000	\$5,383,869	\$5,383,869		\$0	\$5,383,869
PROJECT ADMINISTRATION		6,705,000	\$7,068,345	\$7,074,880		\$771,460	\$6,303,420
<b>SUB-TOTAL</b>		<b>\$117,712,000</b>	<b>\$125,322,251</b>	<b>\$125,322,251</b>		<b>\$43,988,107</b>	<b>\$81,334,144</b>
<b>SERVER ROOM = CO#1 &amp; #2</b>							
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
<b>SUB-TOTAL</b>		<b>\$7,658,016</b>	<b>Incl. Above</b>	<b>Incl. Above</b>		<b>Incl. Above</b>	<b>\$27,775</b>
<b>TENANT IMPROVEMENTS</b>							
TENANT IMPROVEMENT COST		\$47,423,000	\$47,443,000	\$47,463,000		\$719,796	\$46,743,204
TENANT DESIGN CONTINGENCY		11,500,000	\$11,500,000	\$11,500,000		\$0	\$11,500,000
<b>SUB-TOTAL</b>		<b>\$58,923,000</b>	<b>\$58,943,000</b>	<b>\$58,943,000</b>		<b>\$719,796</b>	<b>\$58,223,204</b>
<b>TOTAL PROJECT</b>		<b>\$184,293,016</b>	<b>\$184,265,251</b>	<b>\$184,265,251</b>		<b>\$44,707,903</b>	<b>\$139,557,348</b>

TI DESIGN SUMMARY		Floor	LOCATED &/or COMMITTED	PROGRAM	SCHEMATIC DESIGN	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS	FORECAST COMPLETION/Current Notes
KCME LOADING DOCK	G	FIRM	SIGNED OFF	COMPLETE	WORKING			
PATHOLOGY MORGUE	G	FIRM	SIGNED OFF	WORKING				
FINANCE	1	PENDING	SMALL AREA					
PHARMACY	1	FIRM	WORKING					
ITA COURT	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	70% COMPLETE		
KCME LAB	2	FIRM	SIGNED OFF	COMPLETE	WORKING	70% COMPLETE		
PATHOLOGY	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	70% COMPLETE		
SCHOOL OF MEDICINE RESEARCH LAB	3	FIRM	SIGNED OFF	COMPLETE	COMPLETE	70% COMPLETE		
ISIS LAB	3	PROBABLE	LOCATION CHG					12,300 SF Unassigned
BLOOD CENTER	3	FIRM	WORKING					See Above
RADIOLOGY	3	FIRM	WORKING	APPROVED				Need Equip Selection
FREEZER FARM	4	PROBABLE	LOCATION CHG					
SLEEP CENTER	4	FIRM	SIGNED OFF	WORKING				
RADIOLOGY	5	FIRM	WORKING					
MULTIPLE CLINICS(Neurosurgery, Orthos Spine,Sports and Spine)	5	FIRM	SIGNED OFF	WORKING				
NEUO SCIENCES OFFICE(S)/REHAB CHAIR	6	FIRM	SIGNED OFF	WORKING				
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					May take entire floor
KIDNEY INSTITUTE	8	FIRM						
ORTHO OFFICES	8	FIRM	SIGNED OFF	PENDING CHANGE				
IT SERVICES	9	FIRM	SIGNED OFF	SIGNED OFF	WORKING			5092 SF Unassigned
IT SERVICES	10	FIRM	SIGNED OFF	SIGNED OFF	WORKING			
HARBORVIEW IT SERVICES OFFICE	11	FIRM	SIGNED OFF	SIGNED OFF	WORKING			
CIS OFFICES	11	FIRM	SIGNED OFF	SIGNED OFF	WORKING			
PCIS OFFICE	11	FIRM	SIGNED OFF	SIGNED OFF	WORKING			
IT SERVICES OFFICE	11	FIRM	SIGNED OFF	SIGNED OFF	WORKING			
VIROLOGY	12	FIRM	SIGNED OFF	COMPLETE	WORKING			
CFAS OFFICE	12	FIRM						
KING COUNTY STD CLINIC & OFFICES	12	FIRM	WORKING	SIGNED OFF	WORKING			
GLOBAL HEALTH	13	FIRM	Near Completion					
GLOBAL HEALTH	14	FIRM	Near Completion					