

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

January 2008

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January 15, 2008

I. Executive Summary

This is the seventh (7) of twelve (12) oversight reports to be submitted under the KC/JLL Contract # T02739T providing construction oversight of the Ninth and Jefferson Building at Harborview Medical Center. This seventh period included two site visits and attendance at one “Tenant Improvement” team meeting and one “General Construction” 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 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 decided not to move into the building, there are multiple other tenants waiting to be confirmed for space in the building. As mentioned last month, the only space for which a definite tenant has not been identified that threatens an orderly completion (completion from lower level to upper levels) of tenant space is the 12,000 SF on level 3.

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.

Authorized Change Orders #4 & #5 (totaling \$67,268) were reviewed this month as were Approvals #1 & #2 (totaling \$1,798,238) for authorized use of Tenant Improvement Allowance funds. Details are outlined in this summary. Project disbursements are at 48% while total development project completion is estimated to be at 50%. These fiscal parameters are in line with industry standards.

II. Design

Following is a current statistical summary of building details:

GSF=Gross Square Feet RSF=Rentable Square Feet

	<u>Original NJB Scope</u>	<u>Aug. Report</u>	<u>1/9/07 Record</u>
Parking:	600+ Spaces	673 Spaces 237,629 SF	650 Parking Stalls
Building:	440,000 GSF	437,999 GSF 424,992 RSF*	437,999 GSF 424,992 RSF

User Summary:

Tower Office Space	384,780 RSF
Hospital	17,841 RSF
KCME	3,217 RSF
Storage	6,502 RSF
Retail	12,652 RSF
<u>TOTAL Rental Areas</u>	<u>424,992 RSF</u>

Shell and Core:

End of Year Summary Outline of Shell and Core Work Progress to Date:

- Mechanical/Electrical systems detailing and coordination is complete and signed-off for the entire Shell and Core of the NJB.
- Both concrete cores “topped-out” at the end of December, and the formwork is removed.
- Concrete block is complete.
- Door frames are complete through level G.
- The generators and emergency power system serving IEB is complete and ready for IEB connection.
- The building below level 1 is undergoing final preparations for inspections by the City for issuance of a temporary certificate of occupancy prior to February.
- Garage elevators 1-3 installation is in progress with rails, equipment, cables and platforms installed.
- The medical gas system is completely installed and functional on level G. It requires completion of the vent piping and commissioning and is on schedule to turn over on February 6.
- The MDF room is secured and prepared for installation of phone switches, wall racks, etc.
- A large portion of level 4 mechanical rooms HVAC equipment and ductwork has been installed. This includes all 8 air handling units, 55% of the piping, and 50% of the ductwork.
- The studs and sheathing for the exterior building enclosure are 95% complete on the East façade, and have begun on the north façade.

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

Early tenant improvements construction start is approximately April 2008, and some of the mechanical & electrical elements will begin the rough-in stages in January 2008 on levels 2 and 3.

Level 2

ITA Court, KCME, Pathology - construction documents are 90% complete and the mechanical / electrical detailing teams have begun coordination. There is no unassigned space on this floor.

Level 3

UW School of Medicine Labs - construction documents are 90% complete and the mechanical electrical detailing teams have begun coordination.

Radiology – schematic design is approved. Imaging equipment has been designated, and design development can begin.

Remainder of level 3 (12,000 SF) is unassigned and design has not begun.

Level 4

Sleep & Other Specialties – space planning is underway.

Level 5

“5th Floor Clinic” (Neurosurgery, Ortho Spine, Sports and Spine) – space planning is underway

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Level 6

Neurosciences offices – space planning is underway.

Level 7

“7th Floor Clinic” (Foot and Ankle Institute, Hand Institute, Physical Therapy Clinic) – Design has not begun.

Level 8

Eye Institute & Clinic, Kidney Institute – Design has not begun

Levels 9, 10, 11

HMC IT Services space plan is complete and signed-off. This tenant will occupy 2.5 floors (9, 10 & 11). Design Development is underway.

Level 12

King County STD Clinic – Schematic Design is signed-off, and design development underway.

Virology Clinic - Schematic Design is signed-off, and design development underway.

Center for Aids Studies (CFAS) – Design has not begun.

Level 13 & 14

Global Health offices – Design has not begun.

Tenant improvement finish options have been established. Four different finish schemes are available for each tenant to choose from.

III. Permits & Public Agencies

Previously noted:

- 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.
- The Fire Alarm Permit was secured in November.

Additional Agency co-ordination: Wright Runstad is working with the Seattle Department of Transportation to establish five foot surface pedestrian walkway easement along a 90 foot stretch of Jefferson Street.

IV. Contracting and Procurement

Nothing new to report this month.

V. Construction

Year end reports by Wright Runstad and Falkin report, and we confirm, that both building cores are completed and all form work has been removed from the towers at this time. On the east façade the framing of the building enclosure from floors 1 to level 4 is 95% in place with sheathing board attached to the wall framing. The framing of the north wall on these levels is beginning as is the framing of the south wall area. There have been many components of the HVAC system delivered and installed on the level 4 west side floor area where the large mechanical room will be located. The garage elevators, numbers 1-3 are being installed now with the rails and cables being adjusted in the elevator shafts. Painting of the garage primer coat has begun. Precast stairs are installed throughout the garage level and up to level 3 in the office tower.

As of January 4, 2008, all generators and related control devices have been tested and accepted as functional and ready to provide emergency power to the IEB. The system is available and awaiting final connection and testing by the IEB electrical contractor. The IEB project team has been notified of the functionality and availability of the emergency power systems housed in the NJB.

Construction milestone target dates:

IEB Generators Functional	<u>Completed</u> January 4, 2008
IEB Medical Gas System Functional	February 6, 2008
Garage Occupancy	June 7, 2008
Building Initial Occupancy	January 5, 2009

VI. Financial Update

- Total project cost is \$176,635,000 with an additional \$1.6 million for King County overhead and art totaling \$178,237,000.
- The authorization of \$7,630,251 Server Room funds from Harborview brings the total project cost to \$185,867,251.
- **The total (Shell and Core) project cost includes the following contingency amounts:**
 - **\$5,145,059 Contractor's Contingency – 0% committed to date**
 - **\$1,320,000 Owner Contingency – 14% committed to date**
 - **\$5,103,000 General Contingency – 0% committed to date**
- **Tenant Improvement Project Costs**
 - **\$11,500,00 Tenant Design Contingency – 15.6% committed to date**

Change Order Summary (Shell and Core Budget)

<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 in Shell and Core Budget
#5 - Preferred Building Control Vendor	\$44,399	This HMC request Funded from Owner Contingency in project budget. Well documented HMC (Owner) request to use more costly, preferred “Johnson Controls” over developer contractor choice.

Use of Tenant Improvement Allowance

<u>Item</u>	<u>\$ Value</u>	<u>Description</u>
Approval #1 Pneumatic Tube System	\$321,064	This sum is a budgetary number only. Final costs will be from Tenant Improvement Allowance/Contingency. The system was not in original plans and was requested by HMC.
Approval #2 Med Gas System Upgrades	\$1,477,174	Costs are for <u>additional</u> HMC requested upgrades to the Med Gas System to be housed in NJB. This system will provide backup capacity to the HMC campus. The request is well documented and was approved by Harborview and King County in Dec. 2007. Rational for this redundant system included the fact that the current HMC System is housed in a location that has not been Seismically upgraded. This is not the same equipment change issue mentioned in November, one that created no additional cost. Funded from Tenant Improvement Allowance/Contingency.
Pending Wireless System Addition	\$1,000,000	This upgraded system investigation will be detailed in the February report. This is a budget number only.

Jan. 2008 Note #1: While the uses of the TI Allowance outlined above are individually large sums of \$, each future single item use of funds are anticipated to be for significantly smaller sums of money. The use of funds for the Med Gas System and the Wireless System addition are each system wide upgrades not changes relative to a single tenant. Furthermore, the original estimates used to develop the \$47,463,000 Tenant Finish Budget assumed a high level of costly “technical finish”. The actual mix of tenants includes less technical space and less costly “General Office” finish. It is possible that some of these system wide additions may actually end up being partially funded from the general Tenant Finish Budget rather than from the Tenant Finish Contingency.

Carry Forward Log (Subjects from Previous Oversight Reports)

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
- Dec A change in direction in the Server Room design warrants tracking although at this time, the changes appear to be driven by future needs and our ability to redirect this design to meet some of those needs. This issue will be further discussed in January when greater detail and conclusions are available
- Dec Custom fire resistant fabric has been called for by the City of Seattle. There may be additional costs associated with this requirement, therefore the issue is on our watch list.

- 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**
- Dec 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.
- Dec 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.
- Dec 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. **Closed 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**
- Dec Currently, both the Core and Shell, and TI Planning are on schedule. Recent water damage to some work in place will require rework, however, until that work is known to affect the budget or schedule this item will be routinely followed.

STATUS / ISSUES	GENERAL OBSERVATIONS
<p>NJB Building Construction</p> <p>Both building cores are complete. Framing of the East Façade, Floors 1-4 is 95% in place. Framing of the North walls has begun and HVAC units for the first four floors have been delivered, set in place and installed. Garage elevators #1-3 are being installed and adjusted. Pre-cast stairs are installed through out the garage and up to level 3 in the office tower.</p>	<p>1. Shuffling of tenants on certain floors of the building & delayed planning for those spaces continues to pose concern for a timely completion of the TI work. Official completion of shell and core is on time, however, delayed completion of some TI work and/or unnecessary higher TI costs are likely for spaces where specific tenants are not identified.</p> <p>2. While the team continues to attempt to incorporate early cost saving TI mechanical, electrical, and plumbing details into the shell and core, the timeframe is tightening for doing so especially for lower floors (1-4) where floor concrete will be poured first.</p>
<p>Harborview / Tenant Improvement Issues</p> <p>The absence of an identified tenant for approx. 12,000 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 requires significant custom details for equipment or use of the space, an accelerated planning schedule could make up for time lost. Accelerated schedules cost more than the orderly completion of tenant spaces (progressive TI completion from lowest to highest).</p>	
<p>Schedule Status/Issues</p> <p>All generators and related control devices have been tested and are ready to provide emergency to the IEB. The systems is ready and waiting for final connect by the IEB project team.</p>	
<p>Legend:</p> <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>	<p>Tenant Plan % Complete to Date</p> <p>Percent Complete</p> <p>Tower Floors (G Level and Parking not included)</p>

COST SUMMARY	ORIG KC APPROVED BUDGET	CURRENT Proposed BUDGET (WRC 9/10/07)	FORCAST @ COMPLETION (WRC Jan.10.08)	COMMITMENTS (Not yet in forecast)	ACTUAL COST TO DATE (WRC Jan 10.08)	REMAINING * Incomplete
SHELL AND CORE						
ARCH. & ENGINEERING	\$4,472,000	\$4,644,000	\$4,644,000		\$3,942,446	\$701,554
CONSTRUCTION (Incl. WRC Contingency)	99,798,000	\$106,992,037	\$106,985,502	\$1,778,750	\$46,187,534	\$60,797,968
MISCELLANEOUS	1,634,000	\$1,234,000	\$1,234,000		\$302,950	\$931,050
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	\$2,114	\$2,356,325	\$4,718,555
SUB-TOTAL	\$117,712,000	\$125,322,251	\$125,322,251		\$52,789,255	\$72,532,996
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	\$0	\$1,111,720	\$46,351,280
TENANT DESIGN CONTINGENCY	11,500,000	\$11,500,000	\$11,500,000	(\$1,798,238)		\$11,500,000
SUB-TOTAL	\$58,923,000	\$58,943,000	\$58,943,000	(\$1,798,238)	\$1,111,720	\$57,831,280
TOTAL PROJECT	\$184,293,016	\$184,265,251	\$184,265,251	(\$1,798,238)	\$53,900,975	\$130,364,276

TI DESIGN SUMMARY	Floor	LOCATED &/or COMMITTED	PROGRAM	SCHEMATIC DESIGN	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS	FORCAST 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	90% COMPLETE	
KCME LAB	2	FIRM	SIGNED OFF	COMPLETE	WORKING	90% COMPLETE	
PATHOLOGY	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	90% COMPLETE	
SCHOOL OF MEDICINE RESEARCH LAB	3	FIRM	SIGNED OFF	COMPLETE	COMPLETE	90% COMPLETE	
UNASSIGNED 12,000 SF SPACE	3	FIRM	WORKING				Comments above
RADIOLOGY	3	FIRM	WORKING	COMPLETE	BEGUN		EQUIP Selected
FREEZER FARM	4	PROBABLE	LOCATION CHG				
SLEEP CENTER	4	FIRM	SIGNED OFF	WORKING	WORKING		
MULTIPLE CLINICS(Neurosurgery, Orthos Spine,Sports and Spine)	5	FIRM	SIGNED OFF	COMPLETE	WORKING		
NEURO SCIENCES OFFICE(S)/REHAB CHAIR	6	FIRM	SIGNED OFF	COMPLETE	WORKING		
7TH FLOOR CLINIC (Foot/Ankle Inst., Hand Inst.,PT Clinic)	7	FIRM	WORKING				Design not begun
EYE INSTITUTE	8	FIRM	WORKING				Design not begun
KIDNEY INSTITUTE	8	FIRM	WORKING				Design not begun
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				