NJB Project King County Oversight Project Status Report

February 2008

Submitted by: Pat Clickener February 15, 2008



I. Executive Summary

This is the eighth of 12 oversight reports to be submitted under the contract between King County and Jones Lang LaSalle providing construction oversight of the Ninth and Jefferson Building at Harborview Medical Center. This eighth period included two (2) 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 to be on time and in budget. The building shell and core are actually slightly ahead of schedule. Most significant is the fact that in the next 30 days Wright Runstad will process paper work transferring a substantial savings from the Shell and Core budget to the Tenant Improvement budget. This figure is expected to exceed \$2 Million.

Tenant Improvement planning continues to progress although plans are being completed in a less than optimal sequence for an orderly completion of the work. (Sequential completion would be completion of ground level first, 1st floor next, etc.) However, the team feels that there is still enough room in the schedule to accommodate some non-sequential completion of Tenant Improvement planning.

Also affecting Tenant Improvement planning is the recent shuffle of several tenants from one floor to the other. Details regarding these changes are outlined in this report. At the present time, these changes have not delayed design progress.

There are several blocks of space where confirmed tenants have not been identified; however, those spaces only represent approximately 23, 000 SF or less than 6% of the tower rentable square feet. Therefore, this is a minor problem.

No new change orders were processed this month. However, there are several pending changes that will affect project costs, and will probably require the use of funds from various project contingency reserves. These pending changes are described in the following report. Project disbursements are at 51% while project completion is estimated to be at 52%. 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

Parking:	Original NJB Scope 600+ Spaces	Aug. Report 673 Spaces 237,629 SF	1/9/07 Record 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
TOTAL Rental Areas	424,992 RSF

Shell and Core Status – Early February 2008

- The design of the building lobby has been issued to the contractor for pricing.
- Areas for project art have been designated. The selection process for artists is underway, and coordination between artists, designers and contractors will begin soon.
- A design is being developed for locker rooms with showers on level G.
- The building shell & core will accomplish a LEED Silver rating. (LEED ratings describe Environmental/Green/Energy Efficient standards for buildings and a Silver rating is impressive by today's standards.)

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

PROGRESS DETAILS

Early tenant improvements construction start is approximately April 2008, and some of the mechanical & electrical elements for levels 2 and 3 began the rough-in stages in January 2008. **Feb.08** –

Approximately 25-30% of the TI Designs are scheduled to be included in the first Turner TI bid package in the next few weeks. If this schedule is met, the result of those bids will allow the team to project with some level of accuracy the cost of completing the Tenant Improvements for the remainder of the building.

The most current progress is shown in bold print.

PREVIOUS STATUS	FEB 2008 CHANGES
Jan.08 - ITA Court, KCME, and Pathology - construction documents are 90% complete and the mechanical / electrical detailing teams have begun coordination. There is no unassigned space on this floor.	Feb.08 - ITA Court, KCME, and Pathology - construction documents (CD's) are 100% complete. Contractor is pricing. Construction will begin in March.
• Level 3	
UW School of Medicine Labs: Jan.08 - construction documents are 90% complete and the mechanical electrical detailing teams have begun coordination.	None
Radiology: Jan.08 – schematic design is approved. Imaging equipment has been designated, and design development can begin.	Feb.08 – Design Development has begun including coordination with equipment vendors. Target completion for Design CD completion is the end of March. Engineering details are expected to take an additional 6 weeks due to the technical details involved with this space.
Remainder of level 3 (12,000 sf) is unassigned as of Jan. 08 and design has not begun.	Feb.08 – Space remains unassigned; however, potential space users have been identified, not confirmed and no planning has taken place.
• <u>Level 4</u>	
Sleep & Oto Specialties: Jan.08 – space planning is underway.	None
• <u>Level 5</u>	
"5 th Floor Clinic" (Neurosurgery, Ortho Spine, Sports and Spine) – space planning is underway.	None
• Level 6	
Jan.08 - Neurosciences offices – space planning is underway.	Feb.08 - Foot and Ankle Institute, Hand Institute, Physical Therapy Clinic, formerly level 7, is now on level 6. Preliminary space allocations are underway. This report suggests that the process is not as far along as was reported in January. The graph on the Matrix has therefore been adjusted. Neurosciences offices moved to Level 14.
Level 7 Long 98 "7th Floor Clinic" (Foot and Apple Institute	Fol. 00 Fron In 444-4- 9 CV 1 1711
Jan.08 "7 th Floor Clinic" (Foot and Ankle Institute, Hand Institute, Physical Therapy Clinic) – Design has not begun	Feb.08 - Eye Institute & Clinic, Kidney Institute – New Tenant identification for this floor. Design has not begun. Foot and Ankle Institute, Hand Institute, Physical Therapy Clinic moved from here to Level 6.
Level 8	
Eye Institute & Clinic, Kidney Institute – Design has not begun. Levels 8, 9, 10 (Formerly 9,10,11)	Eye Institute and Clinic, Kidney Institute moved to Level 7 from Level 8.
20 (10 0) 7, 10 (1 Officity 7, 10, 11)	

HMC IT Services space plan is complete and signed-off. This tenant will occupy 2.5 floors. Design Development is underway.	Levels 8, 9, and part of 10 to be designed for IT Services. Feb.08 – The balance of the 8 th floor has not begun planning.		
• Level 11 (Formerly Level 12)			
King County STD Clinic: Jan.08 - Schematic	No change		
Design is signed-off, and design development			
underway.			
Virology Clinic: Jan.08 - Schematic Design is	No Change		
signed-off, and design development underway.			
Center for Aids Studies (CFAS): Jan.08 – Design	No Change		
has not begun. Feb.08:			
• Levels 12 & 13 (Formerly Levels 13 & 14)			
Global Health offices: Jan.08 – Design has not	No change		
begun. Feb.08 – No new progress reported.			
■ <u>Level 14</u>			
Neurosciences Offices: Jan.08 – space planning is	Neurosciences offices moved here from		
under way.	Level 6 and planning continues.		

Commentary: There continues to be no concern that the entire building will be occupied. The team continues to focus on identifying occupants for all available space, bundle Tenant Improvement design packages in the most efficient ways, and look for effective ways of incorporating Mechanical, Electrical and Plumbing details into completed designs since each of these activities affect the schedule for Tenant Improvement completion.

Only those spaces completed in the next couple months will be in a position to take advantage of cost savings associated with construction of the shell and core.

For example, as the general contractor for the Shell and Core, Turner Construction's General Condition costs are a part of the current Shell and Core Contract. TI work completed later than final completion of the Shell and Core will incur incremental costs for Turner's General Conditions for remaining of the site and completing TI work. This fact was brought up in a recent TI planning meeting.

III. Permits & Public Agencies

- All permits for the shell and core of the building have been secured.
- A temporary certificate of occupancy for the garage will be secured before the end of February to allow contractor parking on site in March.
- A hazardous materials storage permit has been secured for the generator fuel storage tanks.
- A hazardous materials permit application has been submitted for the medical gas storage room on level G.
- Street and improvement plans ("SIPs") have been submitted to SDOT for review.
- The Department of Health (DOH) has reviewed the shell and core building and provided a list of conditions for approval. A few minor modifications will be made to meet the conditions, and approval is expected within the next month. Harborview is the primary contact to the DOH.

IV. Contracting and Procurement

- The subcontract buyout process is approximately 98% complete.
- The contractor GMP was established at the schematic design level. The GMP included a target value engineering dollar amount that offset contractor contingency. The target value engineering amount of \$2,390,000 was achieved through buyout savings in the following categories:

Precast Stairs	(\$75,000)
Masonry	(\$180,000)
Waterproofing	(\$50,000)
Roofing	(\$170,000)
Coiling Doors	(\$50,000)
Curtainwall	(\$1,000,000)
Painting	(\$225,000)
Sprinkler	(\$340,000)
Mechanical	(\$300,000)

V. Construction

Mid to late January the total development project is estimated to be 52% complete. Pay requests bring project disbursements to 51% 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 in line with industry standards.

Construction milestone target dates:

IEB Generators Functional IEB Medical Gas System Functional Garage Temporary Occupancy*** Garage Occupancy Building Initial Occupancy Completed January 4, 2008 Completed February 6, 2008 February 29, 2008 June 7, 2008 January 5, 2009

***For Construction use only

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 addition of \$7,630,251 Server Room funds from King County brings the total project cost to \$185,867,251.
- The total (Shell and Core) project cost includes the following contingency amounts:
 - o \$5,306,399 Contractor's Contingency 5% committed to date
 - o \$1,320,000 Owner Contingency 14% committed to date
 - o \$5,103,000 General Contingency 0% committed to date
 - o \$280,869 Server Room General Contingency
 - o \$125,000 Server Room Owner Contingency

Change Order Summary (Shell and Core Budget)

Change Order # & Item	<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 is funded from Owner Contingency in project budget. Well documented HMC (Owner) request to use more costly, preferred "Johnson Controls" over developer contractor choice.
Pending - Floor Load Upgrades	Undetermined	IT use of floors 9 & 11 will require additional Steel to accommodate anticipated TI loads. Possible Shell and Core Contingency (undetermined yet).

Use of Tenant Improvement Allowance

<u>Item</u>		\$ Value	<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. 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 Napolitano and Klainer 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 seizmically upgraded. This is not the same equipment change issue mentioned in November, one that created no additional cost. Funded from Tenant Improvement Allowance.
Pending	Wireless System Addition	\$1,000,000	This upgraded system investigation detailed in the February report. This is a budget number only.
Pending	Two Hour Rated Wall	Undetermined	Change will be Interior Design Expense. This 2 hour Rated Wall (4 th Floor) between the Sleep Lab and Mechanical Room needs to be installed to resolve acoustic issues.
Pending	Med Gas Riser	Undetermined	This riser is required by HMC to Level 7. This will be an Interiors Expense. Equipment for Clinic Space.

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 1/30/08. Construction of the space will start after the tower crane is removed and the generator, 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 to 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 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 in 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: Qwest 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 $4 \cdot$

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. Open until final completion.

January 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.

January A 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.

January 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 requires significant custom details for equipment or use of the space, an accelerated planning schedule could

resolve this concern.

Contract T02739T King County NJB Oversight Date: 2/15/08 STATUS / ISSUES **GENERAL OBSERVATIONS** 1. Less than 6% of the available space remains available for future tenants. Harborview is **NJB Building Construction** Tenant Spaces with completed Design CD's in the next several weeks will be included in the first working to determine who gets these last few spaces. Some shuffling of floors by tenants Turner negotiation with TI Sub-contractors. Successive buy outs frequently experience higher confirmed to be in the building did take place this month (see report), however planning for these tenants continued and target dates are being established for completion of CD's. April is the goal to complete CD's (Design with Mechanical, Electrical and Plumbing details) for 2. The graph below graphically depicts that shifting tenants from one floor to another, that can be completed in line with completion of the shell and core. takes time and is effecting the sequential completion of Tenant Improvement Planning. Harborview / Tenant Improvement Issues Tenant Planning % Complete to Date Continue to track details of un identified space in the building via the monthly report. A very productive discussion between team members resulted in understanding by all team members ■Amended TI Progress Feb.08 ■TI Progress Reported Jan.08 that per planning to date, NJJB's schedules have not included co-ordination of Mechanical, and plumbing details in their "Completed Construction Documents "CD's". An additional 3-7 weeks in the schedules for each TI plan needs to be assumed. Progress detailed in Report. Schedule Status/Issues (Design/Construction/Other) The team is beginning to set target dates for completion of drawings and inclusion in various Percent Complete Turner TI bid packages. Future reports will track these target completion dates. Tower Floors Currently No Issue, (G Level and Parking not included) Budget or Schedule at Some Concern-Topic Follow up shows on Being Reviewed extended report FORCAST @ COMMITMENTS (Not ACTUAL COST TO DATE ORIG KC APPROVED CURRENT Proposed COMPLETION (WRC Feb/12/08) yet in forecast, See Summary) **COST SUMMARY** REMAINING * Incomplete BUDGET BUDGET (WRC 9/10/07) SHELL AND CORE ARCH. & ENGINEERING \$4,472,000 \$4,644,000 \$4,472,000 \$3,883,867 \$588,133 CONSTRUCTION (Incl. WRC Contingency) \$1,778,750 \$106,860,502 \$51,594,867 \$55,265,635 99,798,000 \$106,992,037 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 \$2,114 \$2,356,325 6.705.000 \$7.068.345 \$7,074,880 \$4.718.555 SUB-TOTAL \$117,712,000 \$125,322,251 \$125,025,251 \$58,138,009 \$66,887,242 SERVER ROOM = CO#1 & #2 Included Above CONST./AE/WR \$6,922,057 Included Above Included Above Included Above CONTINGENCY \$346,103 CO # 1 &2 CO # 1 &2 CO # 1 &2 CO #1&2 **ESCALATION** Most in CO #1 & 2 Most in CO #1 & 2 389.856 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 \$47,615,000 (\$1,798,238) \$1,377,295 \$46,237,705 TENANT DESIGN CONTINGENCY \$11,500,000 \$11,500,000 \$11,500,000 \$0 \$11,500,000 SERVER ROOM GENERAL CONTINGENCY NA NA \$280,869 \$0 \$280,869 SERVER ROOM OWNER CONTINGENCY NA NA \$125,000 \$0 \$125,000 SUB-TOTAL \$58.923.000 \$58,923,000 \$59,520,869 \$1,377,295 \$58,143,574 **TOTAL PROJECT** \$184,293,016 \$184,245,251 \$184,546,120 \$59,515,304 \$125,058,591

TI DESIGN SUMMARY	Floor	LOCATED &/or COMMITTED	PROGRAM	SCHEMATIC DESIGN	DESIGN DEVELOPMENT	CONSTRUCTION DOCUMENTS (Design Only)	COMPLETION Forecast & or Feb. Notes
KCME LOADING DOCK	G	FIRM	SIGNED OFF	COMPLETE	COMPLETE	100% COMPLETE	IN PRICING
PATHOLOGY MORGUE	G	FIRM	SIGNED OFF	COMPLETE	COMPLETE	100% COMPLETE	IN PRICING
PHARMACY 2,920 SF	1	FIRM	NO PROGRAM				NO CHANGE
ITA COURT 6,507 SF	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	100% COMPLETE	
KCME LAB 22,507 SF	2	FIRM	SIGNED OFF	COMPLETE	WORKING	100% COMPLETE	
PATHOLOGY 12,470 SF	2	FIRM	SIGNED OFF	COMPLETE	COMPLETE	100% COMPLETE	NEEDS DOH REVIEW
SCHOOL OF MEDICINE RESEARCH LAB	3	FIRM	SIGNED OFF	COMPLETE	COMPLETE	100% COMPLETE	IN PRICING
UNASSIGNED SPACE12,000 SF	3	UNASSIGNED					LITTLE CHANGE
RADIOLOGY	3	FIRM	WORKING	COMPLETE	BEGUN	EQUIP. CO-ORD	LITTLE CHANGE
SLEEP CENTER	4	FIRM	SIGNED OFF	WORKING	EARLY WORK		LITTLE CHANGE
RADIOLOGY 3,000 SF	5	FIRM	WORKING				
MULTIPLE CLINICS 17,000 SF	5	FIRM	SIGNED OFF	COMPLETE	EARLY WORK		
NEW = FOOT/ANKLE/HAND & PHYS, THERAPY 20,480 SF	6	FIRM	SIGNED OFF	EARLY			RECENT CHANGE
EYE INSTITUTE 20,000 SF	7	FIRM	WORKING				Design not begun
EYE INSTITUTE 5,000 SF	8	FIRM	WORKING				Design not begun
CIS & PCIS 4,477 SF	8	FIRM	WORKING	COMPLETE	EARLY WORK		Design not begun
IT SERVICE OFFICES 11,000 SF	8	FIRM	SIGNED OFF	PENDING CHANGE			
IT SERVICES 20,219 SF	9	FIRM	SIGNED OFF	SIGNED OFF	WORKING		LITTLE CHANGE
IT SERVICES 20,347 SF	10	FIRM	SIGNED OFF	SIGNED OFF	WORKING		LITTLE CHANGE
IT SERVICES	11	FIRM	SIGNED OFF	SIGNED OFF	WORKING		LITTLE CHANGE
IT SERVICES OFFICE	11	FIRM	SIGNED OFF	SIGNED OFF	WORKING		LITTLE CHANGE
VIROLOGY 5,871 SF	11	FIRM	SIGNED OFF	COMPLETE	WORKING		LITTLE CHANGE
CFAS OFFICE 2,300 SF	11	FIRM	QUES. REVIEW				
KING COUNTY STD CLINIC & OFFICES 9,665 SF	11	FIRM	WORKING	SIGNED OFF	WORKING		
GLOBAL HEALTH 20,296 SF	12	FIRM	BEGINNING				RECENT FLOOR CHG
GLOBAL HEALTH 20,296 SF	13	FIRM	BEGINNING				RECENT FLOOR CHG
NEURO OFFICES & REHAB CHAIR 6,100 SF	14	UNDER DISCUSSION	BEGINNING				RECENT FLOOR CHG
NEW = NEUROSURGERY OFFICES 8,000 SF	14	FIRM	Near Completion				RECENT FLOOR CHG