



**Ninth and Jefferson Building  
King County Auditor's Office Oversight Project Report**

**August 2008**





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## **Executive Summary**

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The Ninth and Jefferson Building is being constructed as a public-private partnership. The scope of the project includes a 14-story multi-purpose high-rise tower and five floors of underground parking. The building will house specialty services at Harborview Medical Center. Anticipated services in the building include the King County Medical Examiner, neurosciences, orthopedics, a spine center, a sleep center, global health/research laboratories, dry labs, clinical services, and the County's Involuntary Treatment Act courtroom. The building also has retail space and four floors of underground parking for use by patients, visitors and the surrounding community. The developer of the project is Wright Runstad and the General Contractor is Turner Construction.

Jones Lang LaSalle is providing construction oversight and documentation of current progress for the King County Auditor's Office. Site visits and attendance of meetings for the Ninth and Jefferson Building at HarborView Medical Center occur on a bi-monthly basis.

As of mid-August 2008, fifty-five percent (55%) of the project core/shell and tenant improvements construction has been completed compared to fifty percent (50%) last month. The forecast for substantial completion remains unchanged from last month at 1/5/09. The final total development cost is estimated to be \$184,247,886.

## **Scope Overview**

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The original scope of the project included approximately 600+ parking spaces and 440,000 GSF in the building. As of June 9, 2008, the parking garage had 650 parking spaces and the actual GSF for the building is 437,999.

## **Core/Shell Construction Status**

Building, site and off-site improvements continue in accordance with the construction documents and local building authority of jurisdiction requirements. Current work specifically related to underground utilities will be done on weekends in order to limit impact to traffic flow in the area and around the campus.

The parking garage has a Temporary Certificate of Occupancy and has been available for Harborview Medical Center use as of July 28, 2008.

Exterior closure (Close-in) of building continues to progress according to schedule. Interior framing for the core/shell and tenant improvements continues along with the rough in of MEP systems with no noticeable impacts to the substantial completion date.

Turner Construction is sending out a monthly neighborhood newsletter update to notify the area residents of upcoming potential impacts.

## **Tenant Improvement Construction Status**

### Level 2

KCME & Pathology: Installation of overhead mechanical, electrical, and fire protection systems are complete. Ceilings installed and walls being painted.

ITA Court: Installation of stud walls complete. Magnetic and acoustic shielding from the radiology space is complete.

### Level 3

University of Washington (UW) School of Medicine Labs: Installation of overhead mechanical, sprinkler and electrical rough in is complete. Mechanical and electrical wall rough-in activities are complete and sheetrock being installed.

### Levels 8, 9 & 10

UW Medicine IT Services Offices – Installation of overhead piping, ductwork and framing of full-height walls is underway.

## **Tenant Improvement Design Status**

All tenant improvement design was originally expected to have been completed by August 30, 2008. However, as noted in Table 1, some tenant improvement design will not be complete until October 15. Construction of the tenant improvements will proceed in phases, moving up the tower as design is completed. See Table 1 for a status of tenant bid package development.

**Table 1 – TI Design Summary by Package**

<b>Building Floor</b>	<b>Design Package Number</b>	<b>Construction Documents Estimated Completion or Completion Date</b>
1	Pharmacy	No program information available from HMC currently, this is being developed with no impact to overall project

<b>Building Floor</b>	<b>Design Package Number</b>	<b>Construction Documents Estimated Completion or Completion Date</b>
		anticipated.
2	Package #1 (ITA Court, Pathology, KCME)	Complete – Under Construction
3	Design Package #1 (UW School of Medicine) Design Package #5 (remainder of level 3)	Complete – Under Construction Complete – Under Construction
4	Design Package #4 (Sleep Clinic)	Complete – Bids in August
5	Design Package #4 (Spine Clinic)	Complete – Bids in August
6	Design Package #4 (Ortho Clinic)	Complete – Bids in August
7	(Eye Clinic)	10/15/08 estimated completion
8	Design Package #2 (IT Services)	Complete – Under Construction
9	Design Package #2 (IT Services)	Complete – Under Construction
10	Design Package #2 (IT Services)	Complete – Under Construction
11	Design Package #4 (STD/Virology Clinic)	Complete – Bids in August
12	Global Health Offices	10/15/08 estimated completion
13	Global Health Offices	10/15/08 estimated completion
14	Neurosciences Offices	10/15/08 estimated completion

TI Package 3 and 4 – Guaranteed Maximum Price is anticipated to be established in late August 08 with a potential release date of September 08 or October 08.

## Schedule Overview

Completion of all tenant spaces is projected for the third quarter of 2009. No adverse impact to the project is anticipated if this date moves due to the phased occupancy of the building.

Reports from the month continue to support the forecasted projections described in Table 2 below. No potential impacts affecting the project's forecasted delivery dates were brought to the attention of the team.

**As of August 17, 2008, there are 94 remaining work days until substantial completion of core and shell.**

**Table 2 – Substantial Completion\*\* Date by Level**

<b>Level</b>	<b>Current Forecast Target Date</b>	<b>Previous Month Forecast Target Date</b>	<b>Notes</b>
<b>Garage</b>	<b>July 1st, 2008 *</b>	<b>Actual</b>	
<b>1</b>	<b>Not Under Design</b>	<b>N/A</b>	<b>Pharmacy - Please see notes in above table.</b>
<b>2</b>	<b>January 5<sup>th</sup>, 2009</b>	<b>January 5<sup>th</sup>, 2009</b>	

Level	Current Forecast Target Date	Previous Month Forecast Target Date	Notes
3	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
4	Bids in August	(3/5/09 Anticipated)	<u>Dependent upon bid results, procurement of contracts to winning bidder.</u>
5	Bids in August	(3/5/09 Anticipated)	
6	Bids in August	(3/5/09 Anticipated)	
7	Currently Under Design	N/A	
8	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
9	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
10	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	
11	Bids in August	(3/5/09 Anticipated)	
12	Currently Under Design	N/A	
13	Currently Under Design	N/A	
14	Currently Under Design	N/A	
C/S	January 5 <sup>th</sup> , 2009	January 5 <sup>th</sup> , 2009	

\* Date is actual

\*\* Substantial completion is described as HarborView Medical Center's ability to gain beneficial occupancy of the building. Allowing the move in process to begin, while construction activities related to finishing the building continue to be completed

## Budget Overview

The original project budget including Core/ Shell, Tenant Improvements, King County Overhead, and Art was \$178,237,000.

Including the scope change to add the server room to the project, the total project cost is \$185,867,251.

**Table 3 – Budget Forecast**

Scope of Work	Current Forecast	Previous Month Forecast	Notes
Core and Shell	100,198,000	100,198,000	
Tenant Improvements	56,859,360	56,859,360	
Total Project	185,867,251	185,867,251	Soft costs are included in Total Project Cost but not in the Core/Shell or Tenant

<b>Scope of Work</b>	<b>Current Forecast</b>	<b>Previous Month Forecast</b>	<b>Notes</b>
Budget			Improvements Budgets.

## **Use of Project Contingency as of August 20, 2008**

- Total Contractor's Contingency: \$3,973,521 - 35% is committed to date vs. 30% last month.
- Total Owner Contingency: \$1,320,000 - 95% committed to date (includes \$1,070,000 for building wireless system) vs. 95% last month.
- Total General Contingency: \$5,103,000 - 4% committed to date (this 4 % is the \$200,000 that was transferred to Joint Savings Contingency) vs. 0% last month.
- Tenant Design Contingency: \$11,454,000. 1.4% committed to date vs. 1.4% last month

## **Tenant Improvement Costs**

TI Package #1 - Negotiated GMP of \$20,460,000. This package includes floors 2 and 3, Lab and Specialty Services. This sum represents approximately 35% of the consolidated TI budget and contingency. The space included in package #1 is 69,300 SF. The average cost per square foot for this package is approximately \$295 which is within the \$312/SF consolidated budget and contingency (\$250/SF budget + 25% contingency = \$312/SF) contained in the tenant improvements budget.

TI Package # 2 - Negotiated GMP of \$4,000,000. This package includes floors 8, 9 and 10, UW Medicine Information Technology Services. This sum represents approximately 7% of the consolidated TI budget and contingency. The space included in package #2 is 58,044 SF. The average cost per square foot for this package is approximately \$75, which is within the \$94/SF consolidated budget and contingency (\$75/SF + 25% contingency = \$94/SF) contained in the tenant improvements budget.

TI Package #3 & 4 (Levels 4, 5, 6 & 11) – The package is currently is out for competitive bid to four short-listed general contractors. Bids were due at the end of August 08 and are currently being analyzed. Bid Package results will be released in September 08.

The estimated cost per square foot for the remaining TI packages is expected to be at, or slightly above, the original allowances but within the total project cost anticipating the use of the Tenant Improvement Design Contingency, and possibly the use of savings from the construction of the shell and core. Continued oversight over project tenant demands and value engineering is ongoing in order to keep the total project cost within the budget.

## **General Observations**

The project team continues working together to come up with pro-active solutions for complex construction scope, schedule and budget issues as they arise. It is apparent the relationship between developer, architect, contractor and owner representative is open and fluid.

STATUS / ISSUES	GENERAL OBSERVATIONS																																													
<p style="text-align: center;"><b>NJB Building Construction</b></p> <p>Shell and Core work is on track for completion.</p> <p>Work has begun on street and with underground utilities work being done over weekends, this work is progressing per schedule.</p> <p style="text-align: center;"><b>Harborview / Tenant Improvement Issues</b></p> <p>TI packages continue to progress through design phase with some dates slipping. No time concerns at this point of project reported by team as a phased occupancy will occur in building.</p> <p>Multiple packages sent out to multiple general contractors with the anticipation that money and time will be saved on the project.</p> <p>Although the pharmacy is behind original design date at this time no impact to overall schedule is anticipated.</p> <p style="text-align: center;"><b>Schedule Status/Issues (Design/Construction/Other)</b></p> <p>Turner continues to find and suggest ways to move ahead with general TI backbone work while specific TI details for several of the lower floors has lagged slightly.</p> <p>Design Milestones have been set and team is working towards those goals progressively.</p>	<p>1. TI Packages for 5,6 and 11 out to bid and due back in August. The results for this bid package should be available in September.</p> <p>2. Construction Drawing Target Schedules are slipping, but the WRC, Turner and User teams have a plan to occupy building in phases by Q3 of 09.</p> <p>3. Scope needs to be monitored in balance of projects to keep cost within Original Budget.</p>																																													
<p style="text-align: center;"><b>Legend</b></p> <p><span style="color: red;">█</span> Budget or Schedule at Risk</p> <p><span style="color: yellow;">█</span> Some Concern-Topic Being Reviewed</p> <p><span style="color: green;">█</span> Currently No Issue, Follow up shows on extended report.</p>	<p style="text-align: center;"><b>Tenant Plan % Complete</b></p> <table border="1" style="display: none;"> <caption>Tenant Plan % Complete Data</caption> <thead> <tr> <th>Floor</th> <th>July 08 (%)</th> <th>August 08 (%)</th> </tr> </thead> <tbody> <tr><td>1</td><td>100</td><td>0</td></tr> <tr><td>2</td><td>100</td><td>0</td></tr> <tr><td>3</td><td>100</td><td>0</td></tr> <tr><td>4</td><td>100</td><td>0</td></tr> <tr><td>5</td><td>100</td><td>0</td></tr> <tr><td>6</td><td>100</td><td>0</td></tr> <tr><td>7</td><td>100</td><td>0</td></tr> <tr><td>8</td><td>100</td><td>0</td></tr> <tr><td>9</td><td>100</td><td>0</td></tr> <tr><td>10</td><td>100</td><td>0</td></tr> <tr><td>11</td><td>100</td><td>0</td></tr> <tr><td>12</td><td>0</td><td>~40</td></tr> <tr><td>13</td><td>0</td><td>~30</td></tr> <tr><td>14</td><td>0</td><td>~40</td></tr> </tbody> </table>	Floor	July 08 (%)	August 08 (%)	1	100	0	2	100	0	3	100	0	4	100	0	5	100	0	6	100	0	7	100	0	8	100	0	9	100	0	10	100	0	11	100	0	12	0	~40	13	0	~30	14	0	~40
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COST SUMMARY	ORIG KC APPROVED BUDGET	Proposed BUDGET (WRC 9/10/07)	FORECAST @ COMPLETION (WRC Jul 08)	COMMITMENTS (Not yet in forecast, See Summary)	ACTUAL COST TO DATE (WRC 6/10/08)	REMAINING * Incomplete
<b>SHELL AND CORE</b>						
ARCH. & ENGINEERING	\$4,472,000	\$4,644,000	\$4,549,517		\$4,141,500	\$408,017
CONSTRUCTION (Incl. WRC Contingency)	99,798,000	\$106,992,037	\$108,425,015	\$20,067,736	\$77,592,215	\$30,832,800
MISCELLANEOUS	3,253,365	\$2,853,365	\$2,853,365	\$17,500	\$308,649	\$2,544,716
GENERAL CONTINGENCY	5,103,000	\$5,383,869	\$6,103,000		\$0	\$6,103,000
PROJECT ADMINISTRATION	6,705,000	\$7,068,345	\$7,076,994		\$2,942,852	\$4,134,142
<b>SUB-TOTAL</b>	<b>\$119,331,365</b>	<b>\$126,941,616</b>	<b>\$129,007,891</b>	<b>\$20,085,236</b>	<b>\$84,985,216</b>	<b>\$44,022,675</b>
<b>SERVER ROOM = CO#1 &amp; #2</b>						
CONST./AE/WRC	\$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>Incl. Above</b>	<b>\$27,775</b>
<b>TENANT IMPROVEMENTS</b>						
TENANT IMPROVEMENT COST	\$47,423,000	\$47,443,000	\$44,999,491	(\$20,487,003)	\$2,448,686	\$42,550,805
TENANT DESIGN CONTINGENCY	\$11,500,000	\$11,500,000	\$11,454,000	\$401,767	\$0	\$11,454,000
SERVER ROOM GENERAL CONTINGENCY	NA	NA	\$280,869		\$0	\$280,869
SERVER ROOM OWNER CONTINGENCY	NA	NA	\$125,000		\$0	\$125,000
<b>SUB-TOTAL</b>	<b>\$58,923,000</b>	<b>\$58,923,000</b>	<b>\$56,859,360</b>	<b>(\$20,085,236)</b>	<b>\$2,448,686</b>	<b>\$54,410,674</b>
<b>TOTAL PROJECT</b>	<b>\$185,912,381</b>	<b>\$185,864,616</b>	<b>\$185,867,251</b>	<b>\$0</b>	<b>\$87,433,902</b>	<b>\$98,461,124</b>