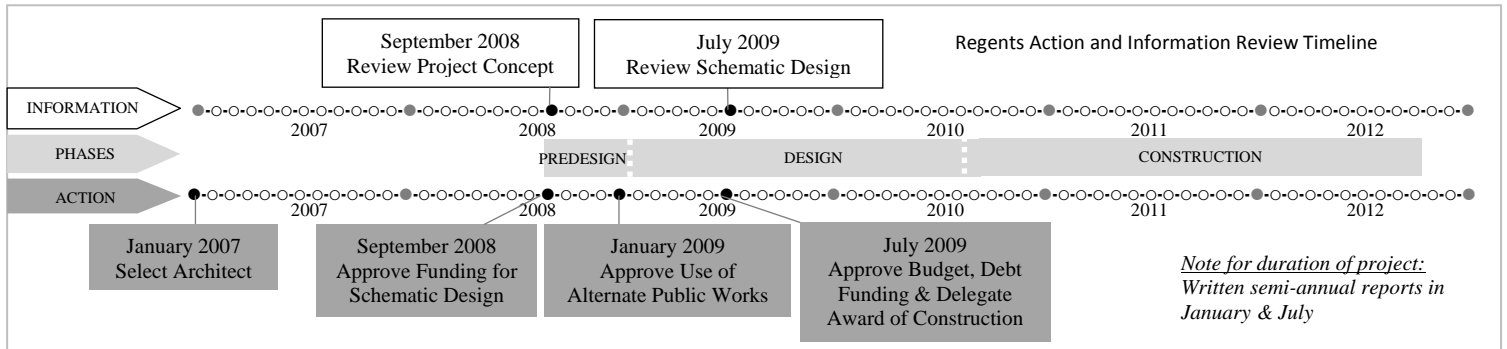


VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Husky Union Building Renovation and Addition: Review Schematic Design, Adopt Budget, Approve Debt Funding and Delegation of Authority to Award Construction Contract



RECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the Board of Regents approve:

1. the establishment of the total project budget at \$128,336,000;
2. the use of the Internal Lending Program to fund up to \$126,000,000 for design, construction, furniture, fixtures, equipment, cost of debt issuance; and
3. delegation of authority to the President or his designee to award the General Contractor / Construction Manager (GC/CM) construction contract to Skanska USA Building Inc., subject to the scope, budget, and funding remaining within 10% of the established budget.

BACKGROUND

The mission of the Husky Union Building (HUB) is to serve as the primary campus community center for students, faculty, staff, alumni and guests, provide and support a program of cultural, educational, social, recreational service activities, offer amenities and services for the diverse needs and activities of the campus community, and to create a sense of community. The HUB hosts over 4,000 meetings and events annually, has over 800,000 visitors per quarter, and provides services to 700 registered student organizations.

In 2006-2007, the Services and Activities Fee Committee (SAFC) co-funded with Student Union Activities Facilities (SAUF) a master plan proposal to assess and

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Husky Union Building Renovation and Addition: Review Schematic Design, Adopt Budget, Approve Debt Funding and Delegation of Authority to Award Construction Contract (continued p. 2)

outline long-range goals related to changing campus needs and lifestyles, aging infrastructure, and code compliance for the HUB. The project grew out of SAFC discussions over the course of the 2007-08 academic year. Over the summer of 2008 with consultation between University administration and student leaders it was determined that the scope of the HUB renovation and expansion should be scaled back from the initial proposal of \$188 million to a range of \$140 - \$150 million.

The current project budget is \$128.3 million. This is a reduction from the earlier \$140 – \$150 million estimated budget to reflect the current competitive pricing in the construction market and the absence of private contribution opportunities. We anticipated raising \$20 million in private contributions. However, an assessment of the viability of private contributions indicated that it is not feasible in the current economic conditions.

In September 2008, the Board of Regents approved funding for the predesign and schematic design phases for the HUB Renovation and Expansion project. The predesign and schematic design processes would determine the actual scope, timing, potential phasing, program and space needs, and project budget for the project.

During winter and spring quarters of 2009, this project along with the other two student life projects - Hall Health Primary Care Center and Ethnic Cultural Center Expansion - were presented to the Associated Students of University of Washington (ASUW), Graduate and Professional Student Senate (GPSS), and SAFC to determine whether or not the students would advocate for the issuance of bonds for project construction. With overwhelming support the ASUW and GPSS endorsed the projects and SAFC voted on May 22, 2009 to establish a new student fee to pay for all of the student life projects.

PROJECT DESCRIPTION

This project seeks to achieve University and HUB goals such as: strengthening campus community by increasing programs and services; encouraging interactions between students, faculty and staff; cultivating engagement between student leaders; fostering tradition and affiliation; and enhancing student involvement.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Husky Union Building Renovation and Addition: Review Schematic Design, Adopt Budget, Approve Debt Funding and Delegation of Authority to Award Construction Contract (continued p. 3)

The HUB was constructed in 1949 in the Gothic Revival style. The original south wing was added in 1952. In 1963, the auditorium was added to the south wing. The Husky Den including food services was expanded in 1975 and later remodeled in 2001. The current building is approximately 260,000 square feet.

The building mechanical and electrical systems have reached the end of their useful life, portions of the building do not meet accessibility requirements, and programmatically the building layout inhibits the ability to achieve University and HUB goals. This project will create and enhance spaces, programs, and service to foster community engagement. Some features of the new HUB will be: enhanced multi-purpose areas for programs, events, and gatherings; improved meeting and board rooms for student governments and organizations; an improved location and better visibility for the Student Resource Center; better visual and programmatic connection to the HUB lawn; lounges that enhance opportunities for collaborative interactions; and improved ballroom and event spaces.

Work will include the nearly complete replacement of the mechanical, electrical, life safety systems, upgrading the building's structural system for seismic events, and landscaping improvements. The sub-basement and basement will undergo infrastructure improvements and minor architectural changes. The ground floor will incorporate infrastructure improvements and some remodeling to accommodate relocated programs. Floors one (main floor), two, and three will be deconstructed back to the buildings structural system. A new three-story atrium will run the length of the building bringing day light deep into the building. The ballrooms will be reconfigured to create north and south ballrooms with day light along the east side. The west façade of the building will remain similar to its current look. The south, east, and a portion of the north facades will be expanded and replaced with a new system. The building size will increase between 5,000 to 10,000 square feet.

SCHEDULE:

Architect Selection	January 2007
Master Plan	February 2007 – May 2008
Predesign	September 2008 – February 2009
Design	February 2009 – September 2010
Construction	September 2010- July 2012
Occupancy	September 2012

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Husky Union Building Renovation and Addition: Review Schematic Design, Adopt Budget, Approve Debt Funding and Delegation of Authority to Award Construction Contract (continued p. 4)

GC/CM CONTRACT AWARD:

Under Delegated Authority, the Capital Projects Office on June 4, 2009 awarded a Preconstruction Services agreement with Skanska USA Building, Inc., as the General Contractor/Construction Manager after a selection process which saw eight firms submit qualifications, four firms interviewed, and four firms selected to submit proposals for its Specified Fee and General Conditions costs. The other finalists were Hoffman Construction Company, Mortenson Construction, and Turner Construction Company

PROJECT BUDGET AND FUNDING:

The project budget is \$128.3 million of which \$105.7 million will be funded with a new student fee. On May 22, 2009 the Services and Activities Fee Committee approved a new student fee of up to \$95 per quarter for all three student life projects. The new fee for the HUB portion is estimated at \$73 per quarter and will take effect in the fall quarter of the 2012-2013 academic year (September 2012) when the renovated building will be opened for use. Together with the Ethnic Cultural Center and Hall Health Primary Care Center projects, the new fee is expected to total \$90 per quarter.

The sources and uses for the project are as follows:

[continued on next page]

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Husky Union Building Renovation and Addition: Review Schematic Design, Adopt Budget, Approve Debt Funding and Delegation of Authority to Award Construction Contract (continued p. 5)

Sources of Funds

Internal Lending Program - Student Fees	105,700,000
Internal Lending Program - Central	20,000,000
Existing Bond Proceeds	4,600,000
Reserves	6,600,000
Total, Sources of Funds	136,900,000

Uses of Funds

Consultant Services	11,798,000
Construction	103,231,000
Furniture, Fixtures, Equipment, and Other	13,307,000
Total, Design, Construction, & Mitigation	128,336,000
Interest Paid During Construction	7,319,000
Cost of Issuance	1,245,000
Total, Uses of Funds	136,900,000

Sources of Repayment for ILP Loan (30 Years at 5.5%)

Student Fees	7,270,000
Central Funds	1,376,000
Average Annual Debt Service Payment	8,646,000

The main financial risk is from not collecting sufficient student fee revenue to repay the ILP loan. Under-collection of fee revenue could come from non-payment and/or a higher number of fee waivers than assumed in the financial analysis. This risk has been mitigated by including a 10 percent coverage amount in the new fee.

Because the fee is a part of tuition, the risk of under-collection from non-payment is very small. Since debt service payments have the first call on fee revenue, any shortfall would be made up from reserves or reductions in programs levels funded by student fee revenue.

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Husky Union Building Renovation and Addition: Review Schematic Design, Adopt Budget, Approve Debt Funding and Delegation of Authority to Award Construction Contract (continued p. 6)

PREVIOUS ACTION

January 2007 - Delegated authority to the President to award a design contract to the HUB Master Plan with the firm of Perkins + Will subject to successful negotiation of a Professional Services agreement.

September 2008 - Approved funding approved for predesign and schematic design phases.

January 2009 - Approved use of alternative public works method utilizing General Contractor / Construction Manager (GC/CM) and delegated authority to the President to award the preconstruction contract to the selected contractor.

Attachments

1. Summary Project Budget
2. GC/CM Selection Summary

**UNIVERSITY OF WASHINGTON
CAPITAL PROJECTS OFFICE - SUMMARY PROJECT BUDGET
ALTERNATIVE PROCUREMENT (GC/CM)**

PROJECT: HUB Renovation/Expansion

Project Number: 201638

ESTIMATED DATE OF COMPLETION: September 2012

<u>Project Budget</u>	<u>Total Escalated Cost</u>	<u>% of TPC*</u>
Pre-Schematic Design Services	\$ 797,000	1%
A/E Basic Design Services	\$ 6,615,000	5%
Extra Services	\$ 1,671,000	1%
Other Services	\$ 962,000	1%
Design Services Contingency	\$ 1,753,000	1%
Consultant Services	\$ 11,798,000	9%
GC/CM Construction Cost	\$ 83,244,000	65%
Other Contracts	\$ -	0%
Construction Contingencies	\$ 11,031,000	9%
Sales Tax	\$ 8,956,000	7%
Construction	\$ 103,231,000	80%
Equipment & Furnishings	\$ 3,286,000	3%
Artwork	\$ 100,000	0%
Other Costs	\$ 4,388,000	3%
Project Management	\$ 5,534,000	4%
Other	\$ 13,307,000	10%
Total Project Cost (TPC)*	\$ 128,336,000	100%

Included in Above:

Escalation through July 2011 (based on 0% for 2009, 2.5% for 2010, and 3.5% for 2011)	\$ 5,575,000	5%
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GC/CM Selection - Tabulation Form
HUB Renovation & Expansion, Project #201638

16 Apr 2009	Absher	Graham Contracting	Hoffman	Lease Crutcher Lewis	Mortenson	OPUS/Lydig	Skanska	Turner
Proposal Evaluations								
Scorer A	34.0	35.0	40.0	33.0	39.0	34.0	36.0	36.0
Scorer B	32.0	32.0	38.0	33.0	34.0	36.0	36.0	36.0
Scorer C	28.0	30.0	38.0	32.0	35.0	31.0	33.0	33.0
Scorer D	24.5	24.5	36.0	26.0	29.0	27.0	32.0	26.5
Scorer E	32.0	30.5	38.0	29.0	39.0	29.5	37.5	33.5
Scorer F	18.0	16.0	21.0	16.0	21.0	17.0	17.0	21.0
Average Score (max. 40)	28.08	28.00	35.17	28.17	32.83	29.08	31.92	31.00

Interviews								
Scorer A			24.0		23.0		18.0	20.0
Scorer B			23.0		22.0		20.0	21.0
Scorer C			23.0		19.0		17.0	17.0
Scorer D			21.0		20.0		21.5	17.0
Scorer E			24.0		23.5		23.0	22.5
Scorer F			21.0		23.0		18.0	22.0
Scorer G			23.0		20.0		15.0	17.5
Average Score (max. 25)	0.00	0.00	22.71	0.00	21.50	0.00	18.93	19.57
Total Proposal and Interview	28.08	28.00	57.88	28.17	54.33	29.08	50.85	50.57

Final Proposals (MACC 78,000,000)								
Contractor's Fee Percentage			4.06%		4.00%		4.00%	3.90%
Contractor's Fee Amount			\$3,166,800		\$3,120,000		\$3,120,000	\$3,042,000
Specified General Conditions Amount			\$1,985,000		\$2,816,829		\$1,624,876	\$3,165,546
Final Proposal Bid Number			\$5,151,800		\$5,936,829		\$4,744,876	\$6,207,546
Low Conforming Proposal			\$4,744,876		\$4,744,876		\$4,744,876	\$4,744,876
Difference			\$406,924		\$1,191,953		\$0	\$1,462,670
Percentage Within Low Proposal			8.58%		25.12%		0.00%	30.83%
Proposal Score* (max. 35)			26.00		9.00		35.00	4.00
Total Score (max. 100)	28.08	28.00	83.88	28.17	63.33	29.08	85.85	54.57

Final Proposal Scoring Key*

Low Conforming Proposal	35 points
Each proposal will be scored by deducting one point each for each 1%, or fraction thereof, that the Proposals exceeds the amount of the Low Conforming Proposal.	
Computed as follows:	
Proposal being evaluated - Low Conforming Proposal	
Low Conforming Proposal	

1st	Skanska
2nd	Hoffman
3rd	Mortenson
4th	Turner
5th	Opus/Lydig
6th	Lease Crutcher Lewis
7th	Absher
8th	Graham

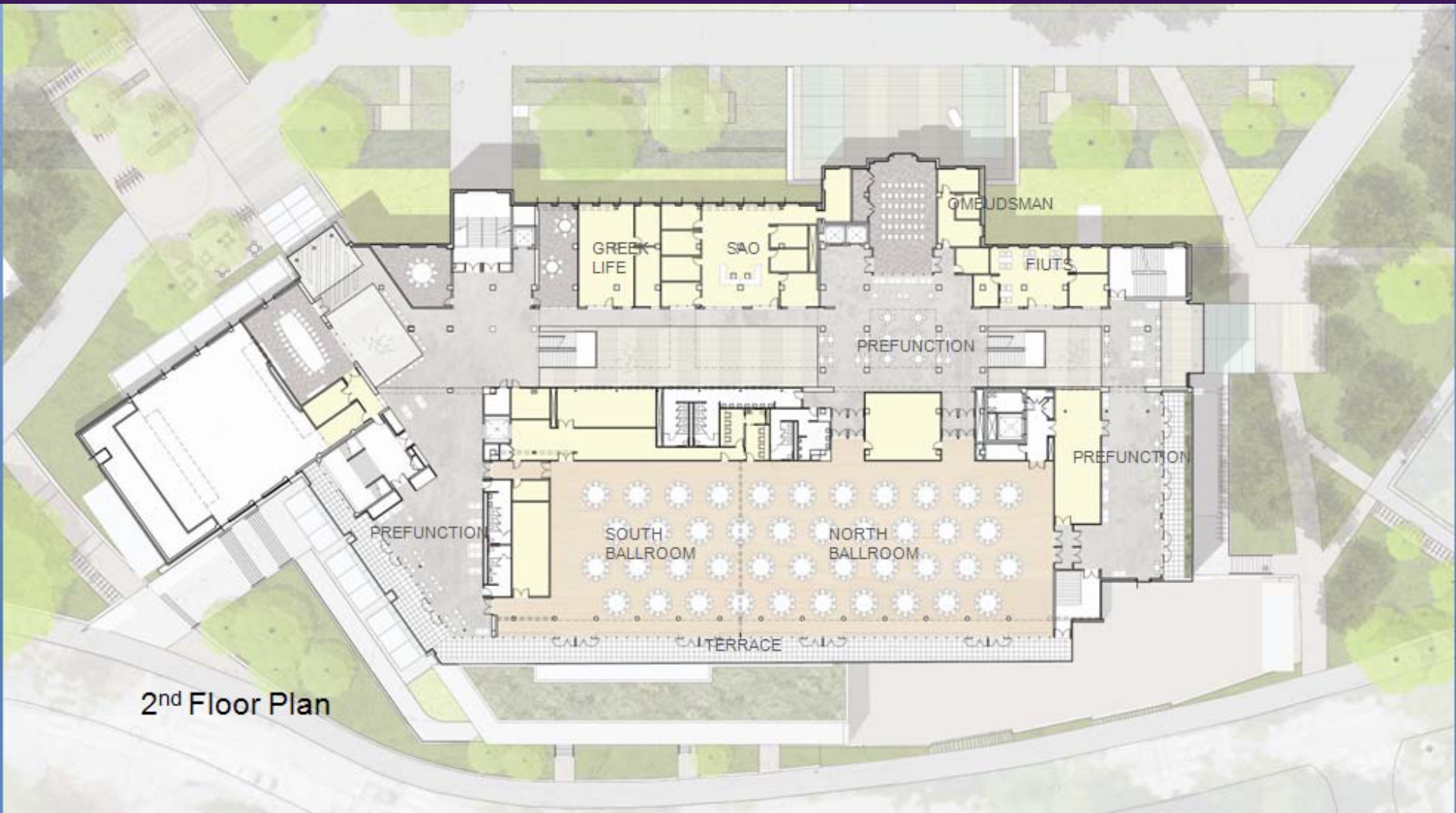
HUB Renovation and Expansion Project

Schematic Design Plans



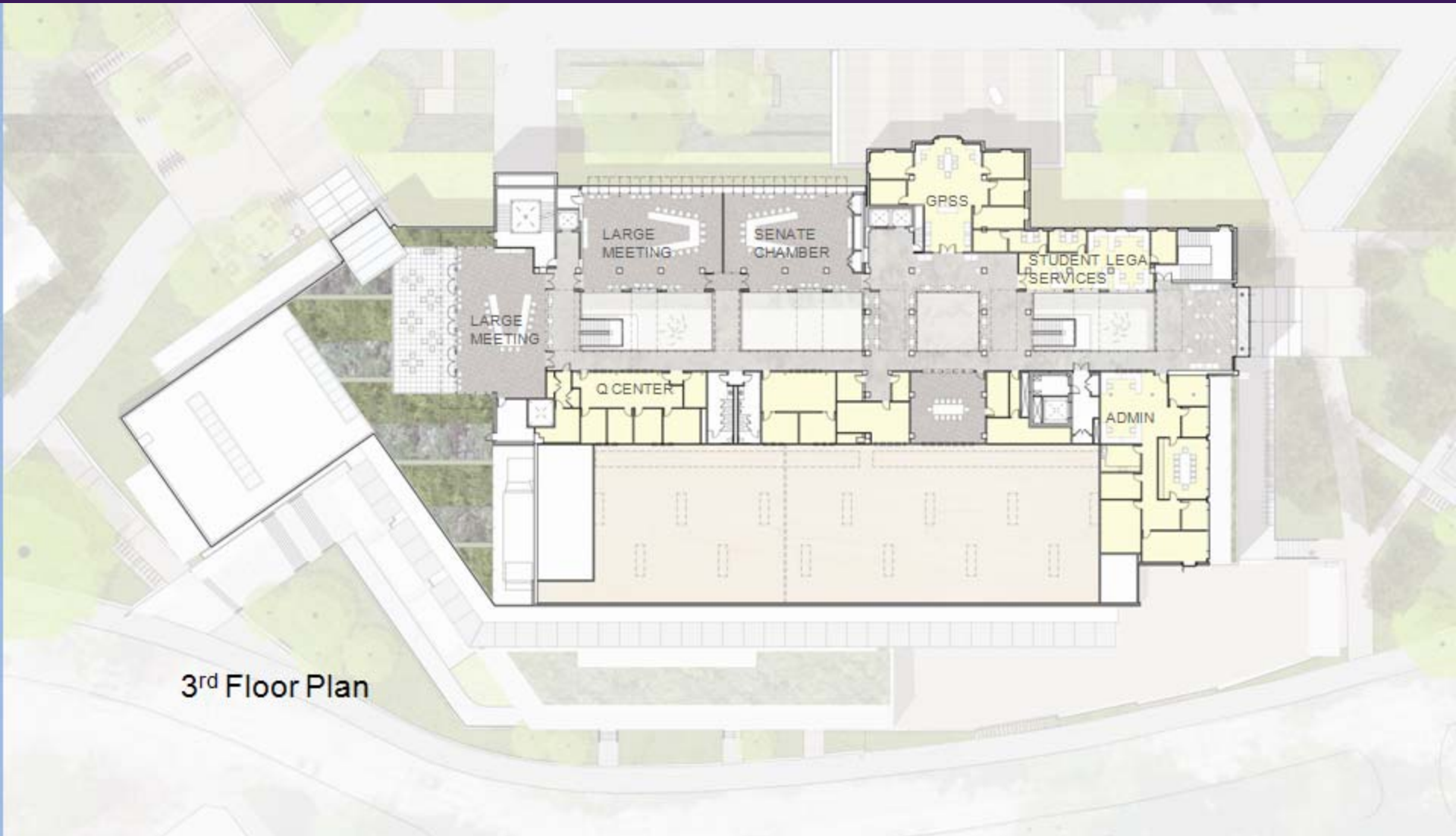
First Floor Plan

Schematic Design Plans



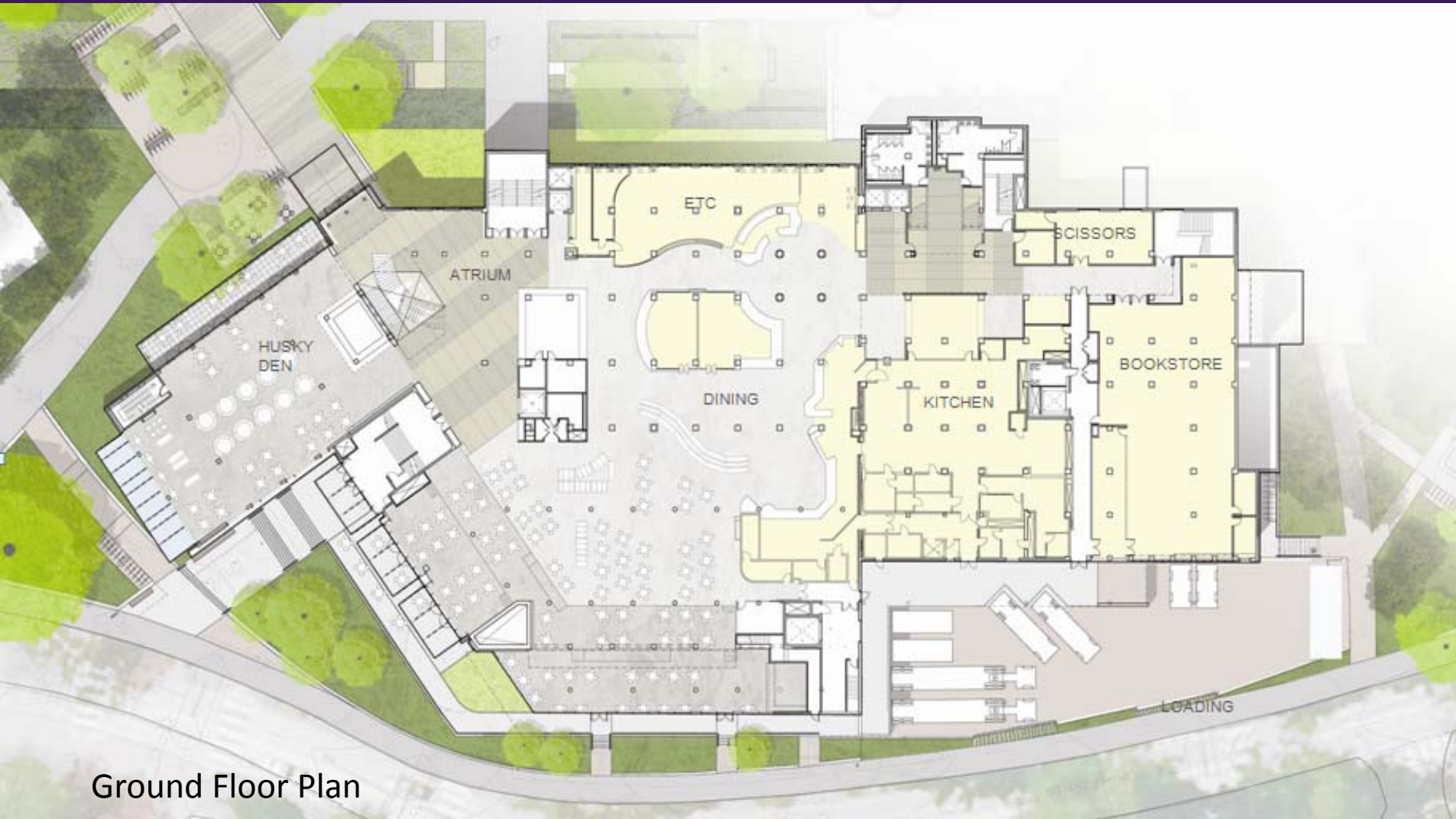
2nd Floor Plan

Schematic Design Plans



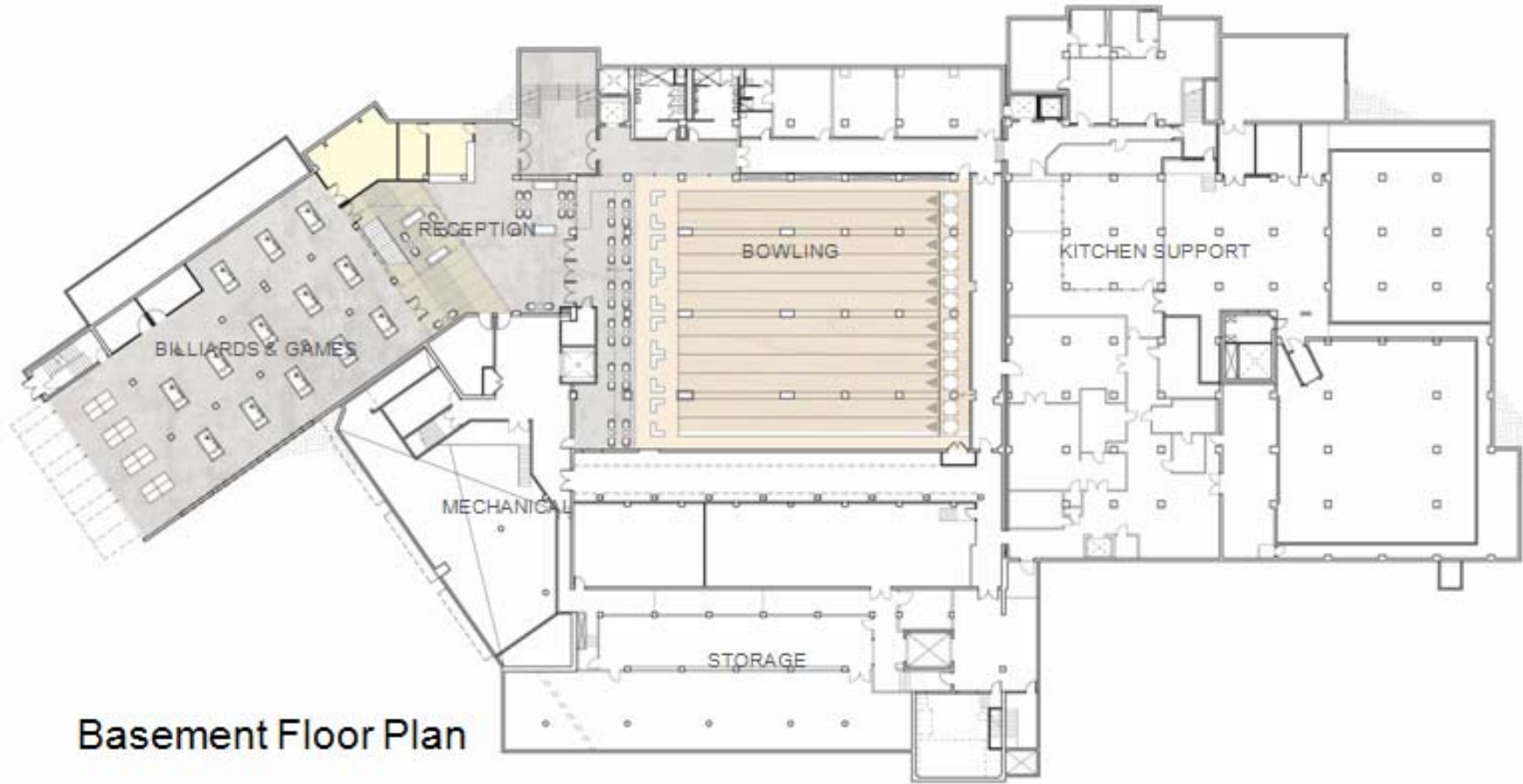
3rd Floor Plan

Schematic Design Plans



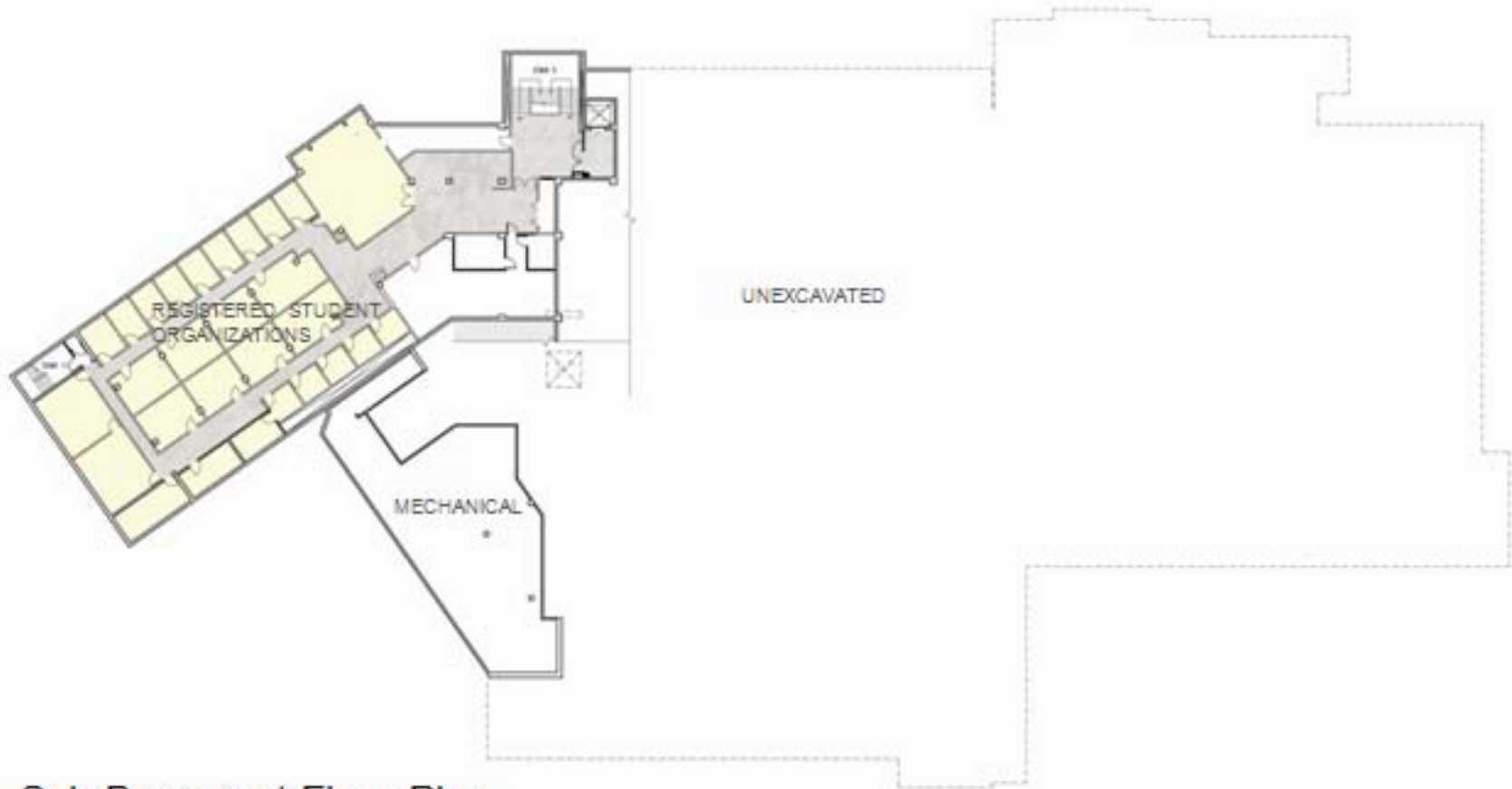
Ground Floor Plan

Schematic Design Plans



Basement Floor Plan

Schematic Design Plans

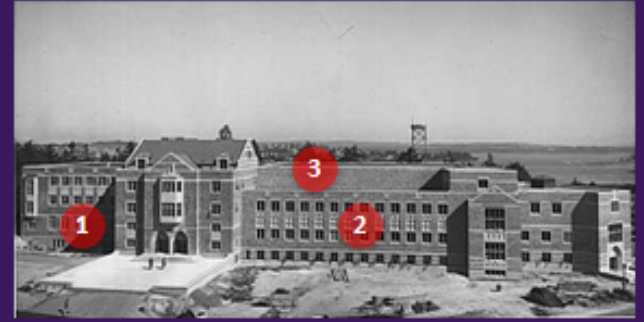
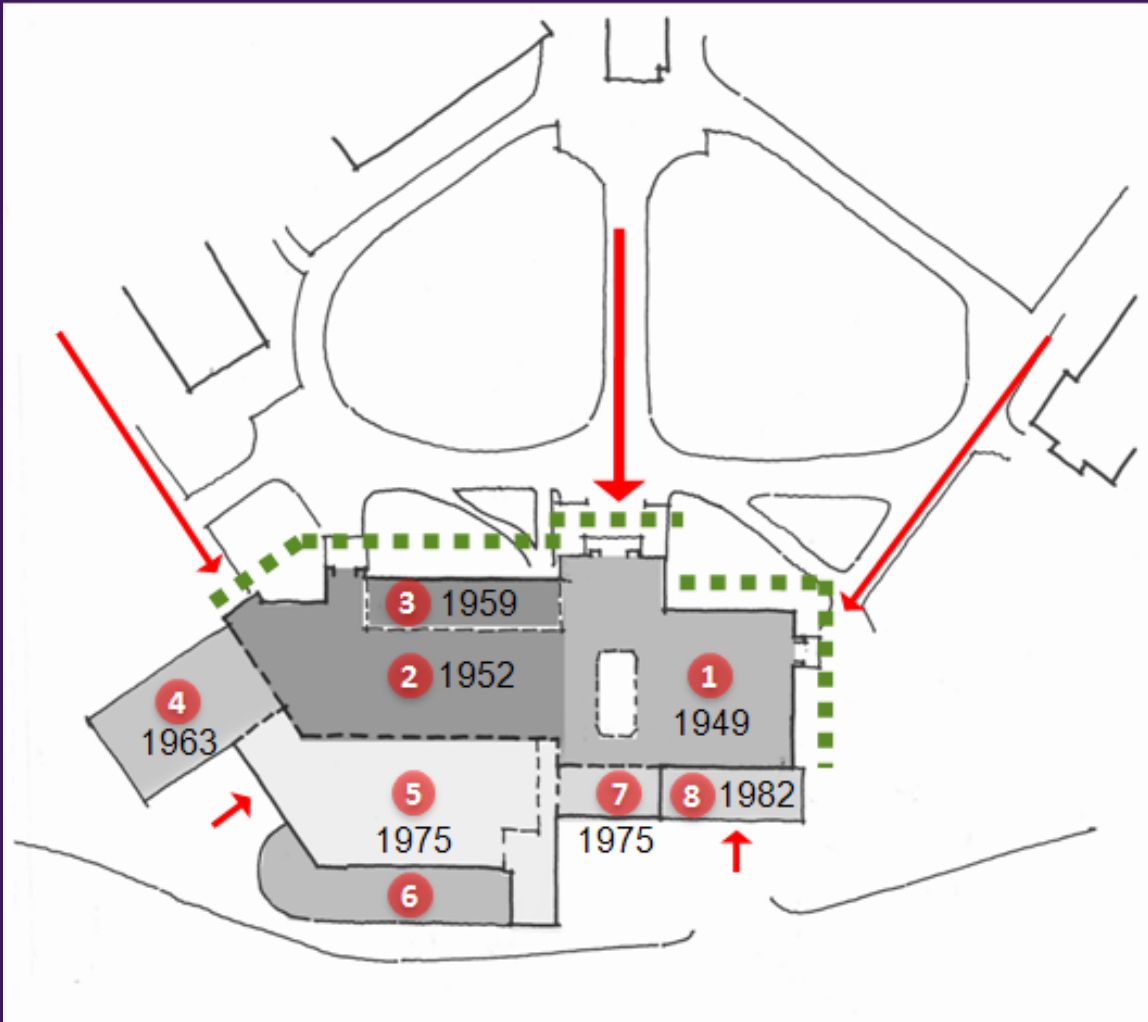


Sub-Basement Floor Plan

Schematic Design - Atrium Concept Rendering



Schematic Design Concepts – Existing Condition



‘Existing Building as an Assemblage of parts’

Schematic Design Exterior Concept Rendering



Schematic Design Southeast Entry Rendering



Schematic Design

Exterior concept Rendering



Schematic Design View from the University Club



Schematic Design North Entry Rendering



Schematic Design Architectural Site Plan

