

VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Actions Taken Under Delegated Authority

Pursuant to the Standing Orders of the Board of Regents, Delegation of Authority, and to the delegation of authority from the President of the University to the Senior Vice President in Administrative Order No. 1, to take action for projects or contracts that exceed \$1,000,000 in value or cost but are less than \$5,000,000, the Administration may approve and execute all instruments.

REPORT OF ACTIONS TAKEN UNDER GENERAL DELEGATED AUTHORITY –
CAPITAL PROJECT BUDGETS1. Portage Bay Building Roof Replacement Project No. 202378
Action Reported: Award of Construction Contract; Budget Adjustment

On November 2, 2010, a construction contract was awarded to Krueger Sheet Metal Company of Spokane, Washington, in the amount of \$980,500 for the Portage Bay Building Roof Replacement (formerly known as Fisheries Center Roof Replacement), Project No. 202378. Thirteen bids were received for this project; the highest bid was \$1,508,000. The budgeted construction cost was \$1,192,725. The project budget was established at \$1,910,000.

Krueger Sheet Metal Company is a roofing and sheet metal contractor based in Spokane, with an office in Seattle. The company was established 64 years ago and specializes in public works and large institutional projects. Krueger has completed projects at the University of Washington as a subcontractor to general contractors and completed replacement of the roof on the Mechanical Engineering Building as a prime contractor in October 2010. Krueger has completed work for other institutions and agencies including: Providence in Everett, Central Washington Hospital in Wenatchee, the Coast Guard, Highline School District, Washington State University, Eastern Washington University, and community colleges around the state of Washington.

This project will replace the roof on the Portage Bay Building that has exceeded its service life. In addition, the work will upgrade penthouse and roof access, provide fall protection devices, abate asbestos on parapets, and upgrade structural supports for rooftop ventilation equipment.

Construction began in November 2010. Completion is forecast for March 2011.

The project budget for the Portage Bay Building Roof Replacement project was established at \$1,910,000. The budget has been reduced to \$1,525,000. The cost

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of construction is lower than planned. Funding is provided by Facilities Services from the 2009-2011 Building Renewal budget.

Budget Summary	Original Approved Budget	Current Approved Budget Forecast Cost To Complete
Total Consultant Services	\$197,377	\$165,464
Total Construction Cost*	\$1,567,241	\$1,234,695
Other Costs	\$29,334	\$27,529
Project Administration	\$116,048	\$97,312
Total Project Budget	\$1,910,000	\$1,525,000

* Includes construction contract amount, contingencies and state sales tax.

2. Fluke Hall Clean Room for E Beam, Project No. 202916 Action Reported: Project Budget Increase of 10% or more

On October 13, 2010, the forecasted project budget for the Fluke Hall Clean Room project was revised to \$1,035,000, an increase of \$135,000 from the original approved budget of \$900,000. This increase in budget accounts for owner-requested scope to add a new backup cooling system to the newly constructed clean room under the original scope of work, and to relocate an electron microscope from its current location on campus property to Fluke Hall. Savings realized from the original scope partially covers the cost of the added scope.

This project includes installation of a high precision Electronic Beam Lithography System at the ground floor of Fluke Hall. The project requires installation of an ISO Class 5 clean room, associated ISO Class 6 operator clean room and necessary system infrastructure to house and operate the owner-furnished electronic beam lithography equipment.

The construction of the original scope of work began November 2009, and was completed in July 2010, followed by owner occupancy in August 2010. The project schedule was extended to the end of December, 2010 to allow for the implementation of added owner-requested scope of work.

The project funding of \$1,035,000 is provided by College of Engineering.

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Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$170,849	\$208,267
Total Construction Cost*	\$636,972	\$720,595
Other Costs	\$13,560	\$19,223
Project Administration	\$78,619	\$86,915
Total Project Budget	\$900,000	\$1,035,000

* Includes construction contract amount, contingencies and state sales tax.

3. Odegaard Undergraduate Library Fire Safety, Project No. 202974
Action Reported: Budget Adjustment

The project budget for the Odegaard Undergraduate Library (OUGL) Fire Safety project was established at \$1,295,000. The budget has been increased to \$1,567,628. Construction change orders were higher than budgeted because the design did not adequately address existing conditions. The Architect/Engineer conducted a representative sample of existing building as-built drawings during the design process and concluded that the as-built drawings accurately reflected existing conditions. The representative sample chosen did not reflect conditions in the majority of the project area, and the construction contractor was required to avoid much more congestion than portrayed in the bid.

This project completely replaces the existing fire alarm system and expands the existing fire protection system to cover the entire Odegaard Undergraduate Library building. The new fire alarm system replaces an obsolete system and will comply with current codes. The kitchen of 'By George' is the only area of the building that previously had fire protection sprinklers. The remaining areas of 'By George,' the Undergraduate Library, miscellaneous offices, and the exit stair in the building that serves the Central Parking Garage will be fully protected at completion of the project.

Construction began in January 2010. Completion is forecast for December 2011.

The project budget is herein established at \$1,567,628. Funding is provided by Environmental Health and Safety from the 2009-2011 Capital Safety budget.

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Budget Summary:	Original Approved Budget	Current Approved Budget and Forecast Cost At Completion
Total Consultant Services	\$121,148	\$121,019
Total Construction Cost*	\$1,023,141	\$1,301,655
Other Costs	\$47,797	\$42,040
Project Administration	\$102,914	\$102,914
Total Project Budget	\$1,295,000	\$1,567,628

* Includes construction contract amount, contingencies and state sales tax.

4. 2010 Phase 1 ESCO Grant Application Project No. 203368
Establish a Budget and Award of Energy Services Company (ESCO)
Design and Construction Contract

This project consists of energy projects in three buildings on the Seattle campus: Odegaard Undergraduate Library, Loew Hall and the Power Plant. Facilities Services Campus Engineering conducted energy audits of Loew and Odegaard in early 2010. The University applied for a matching grant from the Washington State Department of Commerce in July 2010, and was given notice of award in August 2010. On November 19, 2010, the University signed a \$3,741,416 ESCO contract with McKinstry Essention to complete this work.

The project will install energy efficiency upgrades to building mechanical, building controls, lighting, and the domestic hot water systems at Odegaard and Loew Hall. Three research technology demonstration solar photovoltaic systems will be installed on the roof of the power plant. This project will reduce both electrical and steam energy costs, as well as demonstrate the feasibility of three different solar voltaic power generation systems.

The University of Washington contracted with McKinstry Essention through an inter-local agreement with the City of Seattle. The City of Seattle selected McKinstry in a competitive process that resulted in an indefinite delivery, indefinite quantity ESCO contract on February 17, 2007.

McKinstry, established in Seattle in 1960, is a full-service mechanical and electrical design and contracting firm with over 1,600 employees. McKinstry has the expertise and capability to deliver consulting, construction, and energy management services. McKinstry has successfully completed a number of

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projects at the University of Washington, Seattle campus, including the Chemistry Building ESCO and UW Tower Lighting ESCO.

Design and construction of different elements of the system will be conducted concurrently. Design started in November 2010, and will extend through May 2011. Construction of early elements of the Odegaard library started on December 20, 2010 as required by the Grant. Substantial completion is scheduled for November, 2011. Notice of Award on the grant was issued to the University in August 2010. Contract negotiations continue with the Office of Sponsored Programs and the Department of Commerce. McKinstry has been authorized to proceed but is limited to funding on hand.

Project funding is provided by the following sources:

Department of Commerce Grant	\$1,700,000
Anticipated Utility Rebates	\$927,447
State Lease Purchase Loan	\$1,926,003
Local Funding	\$376,550

Budget Summary:	Current Approved Budget	Forecast Cost At Completion
Total Consultant Services	\$47,846	\$47,846
Total Construction Cost*	\$4,370,337	\$4,370,337
Other Costs	\$168,079	\$168,079
Project Administration	\$343,738	\$343,738
Total Project Budget	\$4,930,000	\$4,930,000

* Includes construction contract amount, contingencies and state sales tax.

REPORT OF ACTIONS TAKEN UNDER SPECIFIC DELEGATED AUTHORITY – CAPITAL PROJECT BUDGETS

1. Student Housing Phase II: Mercer Hall Project No. 203247
Action Reported: Selection of General Contractor/Construction Manager (GC/CM)

In June 2010, the Board of Regents approved the use of the alternative public works contracting procedure, General Contractor/ Construction Manager (GC/CM) and delegated authority to the President to award a preconstruction and

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construction contract(s) for the Student Housing Phase II projects, which included Mercer Hall (site 29W/42W), and site 30W.

On October 20, 2010, under Specific Delegated Authority, the Capital Projects Office awarded a Preconstruction Services agreement to W. G. Clark Construction Co. (W.G. Clark) for the Mercer Hall project (the first of the two projects) as the GC/CM. The selection process saw four firms submit qualifications, three firms interviewed, and three firms selected to submit proposals for its Percent Fee and Specified General Conditions cost. The other finalists were Walsh Construction Co. and Andersen Construction Co.

W. G. Clark is currently working on two sites for the University of Washington Student Housing Phase I housing project, Cedar Apartments (site 31W) and Elm Hall (site 32W). They have an extensive portfolio of wood frame multi-family housing construction with numerous projects in the greater Seattle area.

The Mercer Hall Project involves the replacement of the existing Mercer Hall with approximately 930 beds in student-focused apartments in five separate buildings above a 150-200 space below grade parking garage. The project includes study rooms, meeting and lounge spaces, bicycle parking and a coffee roasting café.

Construction is planned to start in July 2011 and be ready for occupancy at the start of Fall Quarter 2013. The estimated project cost is \$113 million. The University's Internal Lending Program will provide project financing with repayment from student rents. We plan to request budget and financing approval at the February 2011 Board of Regents meeting.

Attachment

GC/CM Selection – Tabulation Form
Student Housing Phase II, Site 29W Project 203247

REPORT OF ACTIONS TAKEN UNDER GENERAL DELEGATED AUTHORITY – ACQUISITION OF GOODS AND SERVICES

1. NMR AVANCE Spectrometer System Package
Action Reported: Under delegated authority the Director of Purchasing, or his designee, has executed the contract with Bruker BioSpin to purchase an 800NMR & 700NMR high performance digital spectrometer system package with probes, rigging/insurance plus training & installation.

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The Department of Chemistry currently has 10 existing Bruker spectrometers. This newer model 800NMR/700NMR spectrometer package will upgrade and expand their existing capabilities. The existing 750NMR console will be used as a trade-in on the 700NMR that is part of this system package.

Order value: \$2,660,500.00 and is tax exempt.

2. Equipment purchase agreement with Philips Medical System
Action Reported: Under delegated authority the Director of Purchasing, or his designee, has executed an agreement with Philips Medical Systems for the purchase of a SPECT/CT Imaging Equipment for the UW Medical Center Nuclear Medicine Department.

Nuclear Medicine has a need to replace their current CT Scanner with a new SPECT/CT Imaging Equipment. Purchasing Services, working in conjunction with UWMC Nuclear Medicine, had issued a Request for Proposal (MB10-04) for this purpose and awarded to final contract to Philips Medical Systems.

This contract is valued at \$1,292,099.

3. Lease Agreement with First American Equipment Financing
Action Reported: Under delegated authority the Director of Purchasing, or his designee, has executed an agreement with First American Equipment Finance to fund the equipment purchases of the new Washington Dental Service Building for Early Childhood Oral Health (ECOH)

Purchasing Services, working in conjunction with Asset Liability Management in UW Treasury, issued a Request for Proposal (RKH042810) to secure a finance supplier to fund the purchase of the new dental equipment and supplies for the Pediatric Dentistry ECOH clinic. An eight year lease agreement (2008306 – Schedule No.3) was executed on 10/1/2010.

The lease agreement is valued at \$3,440,311.00 (Principal \$2,621,016.60 plus total interest of \$819,294.50)

4. Contract Awarded to Sirius Computer Solutions, Inc.
Action Reported: Under delegated authority, the Director of Purchasing, or his designee, has awarded a contract to Sirius Computer Solutions, Inc. to provide replacement equipment and software for the Epic electronic medical records, administrative and financial/billing systems.

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The Epic system is currently used by Harborview Medical Center, University of Washington Medical Center, Seattle Cancer Care Alliance, UW Medicine Neighborhood Clinics, UW Physicians, and Children's University Medical Group. This upgrade will replace servers and storage acquired in 2005 and expands capacity from 1,700 to 3,000 concurrent users.

The contract value is \$3,043,262.

GC/CM Selection - Tabulation Form
Student Housing Phase II, Site 29W Project #203247

RFP Proposal Evaluations	Absher/Kitchell	Andersen	W.G. Clark	Walsh
Scorer A	38.5	44.5	49.0	47.0
Scorer B	41.0	41.0	48.0	46.0
Scorer C	30.0	41.0	36.0	44.0
Scorer D	47.0	47.0	49.0	49.0
Scorer E	35.0	32.0	40.0	46.0
Scorer F	31.0	36.0	35.0	47.0
Scorer G	33.0	34.0	41.0	48.0
Scorer H	31.5	35.0	44.0	40.5
Scorer I	36.0	39.0	43.0	48.0
Average Score (max. 50)	35.89	38.83	42.78	46.17

Interviews

Scorer A		28.0	33.0	32.0
Scorer B		27.0	28.0	34.0
Scorer C		28.0	24.0	32.0
Scorer D		26.0	30.0	31.0
Scorer E		22.0	26.0	33.0
Scorer F		29.0	27.0	34.0
Scorer G		25.0	24.0	33.0
Scorer H		21.0	27.0	33.0
Scorer I		27.0	23.0	33.0
Average Score (max. 35)	0.00	25.89	26.89	32.78
Total Proposals and Interview		64.72	69.67	78.94

Final Proposals (MACC 68,500,000.00)

Contractor's Fee Percentage		4.00%	3.20%	5.00%
Contractor's Fee Amount		\$2,736,575	\$2,192,000	\$3,425,000
Specified General Conditions Amount		\$3,064,753	\$1,975,000	\$1,565,000
Total Bid		\$5,801,328	\$4,167,000	\$4,990,000
Low Conforming Proposal		\$4,167,000	\$4,167,000	\$4,167,000
Difference		\$1,634,328	\$0	\$823,000
Percentage Within Low Proposal		39.22%	0.00%	19.75%
RFP Score (max 25)		0.00	15.00	5.00

Total Score (max. 150)	0.00	64.72	84.67	83.94
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Final Proposal Scoring Key*

Fee and Specified General Conditions Scoring

Low Conforming Proposal	15
Proposals within 5% of Low Proposal	14
Proposals within 10% of Low Proposal	12
Proposals within 15% of Low Proposal	9
Proposals within 20% of Low Proposal	5
Others	0