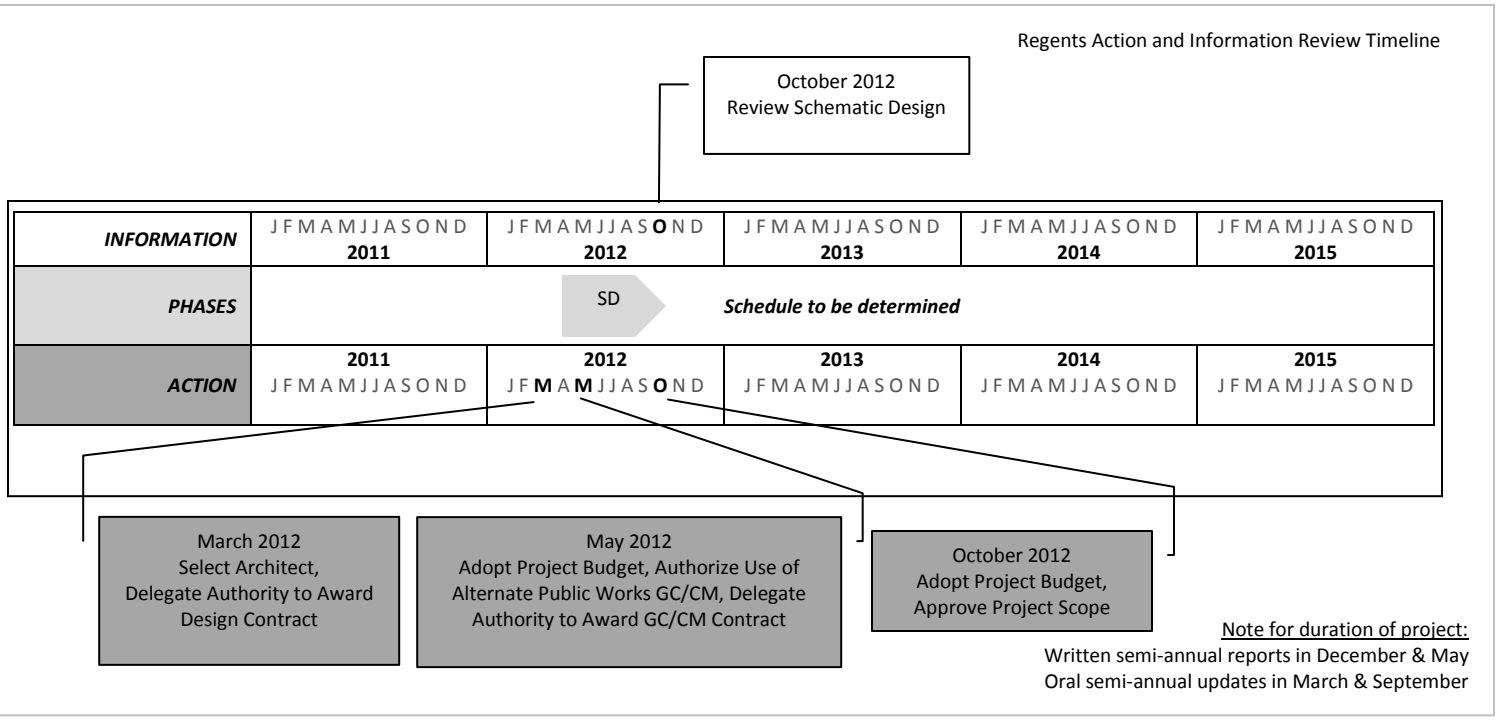
VII. STANDING COMMITTEES

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract



RECOMMENDED ACTION

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

1) Adopt a project budget of $28.5 million for the Fluke Hall Renovation project;

2) Authorize the use of the General Contractor/Construction Manager (GC/CM) Alternative Public Works contracting method; and

3) Delegate authority to the President to award a GC/CM contract.

PREVIOUS ACTION

In March 2012, the Board of Regents approved the selection of the project architect, and delegated authority to the President to award a design contract to the

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (continued p. 2)

selected architectural firm. HDR Architecture of Seattle was the selected firm, and IDC Architects of Portland was the first alternate.

PROJECT DESCRIPTION

Built in 1988 and located near the eastern edge of the Seattle Campus, Fluke Hall is a three-story building that served as the former home of the Washington Technology Center. This project will renovate the building systems and redevelop the building spaces for joint use by the UW Center for Commercialization (C4C) and the College of Engineering (CoE). It is envisioned that the project will be constructed in multiple phases and will be partially-occupied during the renovation.

Level 1 will be dedicated to the CoE Microfabrication Lab and will consist of renovated and newly constructed cleanrooms, specialty labs and support spaces. Levels 2 and 3 will be assigned to the C4C. Work within this project will focus on Level 2 with the creation of incubator research and development lab space and associated support spaces. A significant portion of the project will be the replacement and upgrade of the aging building systems infrastructure necessary to support the new programs within the building.

The complete scope of the Fluke Hall Renovation remains to be determined. The project architect has begun a schematic design effort aimed at determining the most cost effective phasing strategy and a clear understanding of what can be achieved for the available funds.

BACKGROUND

In August 2011, in response to a transfer of Fluke Hall space management responsibility from the Washington Technology Center to the University, the Administration made the decision to assign the building spaces to C4C and CoE. This project is intended to repurpose the facility to meet the needs of the new occupants.

Under the direction of the Office of Planning and Budgeting (OPB), a consultant team has completed a building condition assessment and a conceptual design study. Working closely with C4C and CoE, the consultant team completed a program fit, conceptual floor plans and an assessment of the building systems and capacities necessary to support the assigned programs. The building condition assessment determined that a significant renewal of the building systems will be required.

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (continued p. 3)

CONTRACTING STRATEGY

The recommendation of the Capital Projects Office (CPO) is to use the GC/CM alternative public works contracting procedure, as authorized by RCW 39.10, for construction of this project. The use of a GC/CM has been absolutely critical to the success of the University's large and complex projects. During design, the GC/CM will be able to provide detailed construction scheduling, input into procedures and specifications, input into design constructability issues, and coordination of construction documents; determine construction logistics and needed lay-down areas; provide detailed cost estimates; and investigate existing conditions. This is especially important as the building will be partially occupied during construction.

To help meet the overall project schedule, the GC/CM is able to bid out and start construction on early work packages before all of the project construction documents are 100% complete, if there are compelling reasons to do so. All of these aspects of the GC/CM process will be especially important in the Fluke Hall Renovation project.

CPO proposes to commence the GC/CM selection process in May 2012, with the expectation of entering into a preconstruction services agreement with the highest scoring firm in July. It is anticipated that the Board of Regents will be informed of the selected GC/CM at their July 2012 meeting in a report of actions taken under delegated authority.

SCHEDULE

The project schedule is heavily dependent upon the final scope and phasing plan, which remain to be determined. With the GC/CM joining the project team in July, CPO expects to have a complete understanding of the project schedule in sufficient time to include it in the schematic design presentation to the Board of Regents in October 2012.

BUDGET AND FUNDING

The proposed project budget is $28.5 million and a preliminary version of the budget detail is attached. This preliminary budget may change after the additional work on the schematic design for the project is completed; this work will allow a detailed scope and a revised budget to be presented when the schematic design for the project is presented to the Board of Regents in the fall. The Fluke Hall

B. Finance, Audit and Facilities Committee

Fluke Hall Renovation – Adopt Project Budget, Authorize Use of Alternative Public Works General Contractor/Construction Manager (GC/CM) and Delegate Authority to Award GC/CM Contract (continued p. 4)

Renovation Project will not proceed to construction until the Board of Regents has approved a final scope and budget for the project in the fall.

Sources and uses are as follows:

Sources and Uses of Funds ($000)

Sources of Funds	
One time Minor Capital Repair Carry-Forward	20,900
Sound Transit Reserve	3,280
Provost 2011-2013 Minor Capital Reserve	2,820
Remaining ILP Authority for Molecular Engineering	1,500
Total Sources of Funds	$28,500
Uses of Funds	
Design Costs	3,491
Construction Costs	22,590
Project Management and Other Costs	1,948
Equipment and Furnishings	471
Total Uses of Funds	$28,500

Funding sources for the projected $28.5M Fluke Hall Renovation project are primarily local funds. Approximately $1.5M of debt proceeds from the debt issued for the Molecular Engineering Building project will be used to support critical improvements to the UW Clean Room Core Research Facility in Fluke Hall which is managed by the College of Engineering and supports the nanotechnology-focused research planned for the Molecular Engineering Building. The local funds sources for the renovation include $2.82M from the Provost's 2011-2013 Minor Capital Reserve, $3.28M from the Sound Transit Reserve, and $20.9M from one-time Minor Capital Repair carry-forward funding from previous years.

Attachment
Preliminary Summary Project Budget

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

Project Number: 203880

ESTIMATED DATE OF COMPLETION: June 2015

Project Budget		**Total Escalated Cost**	**% of TPC***
Pre-Schematic Design Services	$	255,000	0.9%
A/E Basic Design Services	$	1,927,000	6.8%
Extra Services	$	699,000	2.5%
Other Services	$	253,000	0.9%
Design Services Contingency	$	357,000	1.3%
Consultant Services	**$**	**3,491,000**	**12.2%**
GC/CM Construction Cost	$	18,661,000	65.5%
Other Contracts	$	-	0.0%
Construction Contingencies	$	1,969,000	6.9%
Sales Tax	$	1,960,000	6.9%
Construction	**$**	**22,590,000**	**79.3%**
Equipment & Furnishings	$	471,000	1.7%
Other Costs	$	439,000	1.5%
Project Management	$	1,509,000	5.3%
Other	**$**	**2,419,000**	**8.5%**
Total Project Cost (TPC)*	**$**	**28,500,000**	**100.0%**

Included in Above:

Escalation at 3% per year through September 2014	$	1,747,000	6.5%