

VII. STANDING COMMITTEES

B. Finance and Audit Committee

In Joint Session With

C. Capital Assets Committee

University of Washington Educational Outreach - Contract Award and Schematic Design Presentation

RECOMMENDED ACTION:

It is the recommendation of the administration, the Finance and Audit and Capital Assets Committees that the President or the President's authorized representative be delegated authority to award a design-build contract for the UW Educational Outreach (UWEO) project to the team of Ledcor/Perkins & Will in the amount of \$12,665,000.

BACKGROUND:

The administration is proceeding with the development of a new building that will house the currently-dispersed operations of UWEO. The building will be constructed on the University-owned site of the current UW Visitor's Information Center, located on the southeast corner of the intersection of NE Campus Parkway and University Way NE. The new building will also house the Visitor's Information Center and other UW units, which are currently occupying the building that will be demolished. The proposed team will construct a building of approximately 57,000 gross square feet, plus a 24 space parking garage under the building.

The University completed a design-build competition on March 14, 2005, by which the team of Ledcor/Perkins & Will was selected from among the following three finalists:

- Ledcor/Perkins & Will
- Sellen/SRG Partnership
- Swinerton/SMWM/Arai Jackson

Based in Vancouver, B.C., Ledcor Construction is one of Canada's largest general and design-build contractors. They have operated successfully here in the Seattle area from their Mercer Island office for fifteen years. Perkins & Will is a renowned national architecture and planning firm with broad experience in the design of university office buildings. Their Seattle office has merged their practice with Busby & Associates of Seattle, Vancouver and Calgary. Peter Busby is the lead designer of the UWEO project and has a long and successful

VII. STANDING COMMITTEES

B. Finance and Audit Committee

In Joint Session With

C. Capital Assets Committee

University of Washington Educational Outreach - Contract Award and Schematic Design Presentation (continued p. 2)

relationship with Ledcor on design build projects. This will be the first project for this team at the University of Washington.

Parallel with the design-build procurement, the University competitively selected a non-profit financing entity, National Development Council (NDC). NDC has formed a 63/20 nonprofit subsidiary organization called Educational Outreach properties and will issue tax-exempt bonds to fund the non-equity portion of the project costs.

After award of the design-build contract, the University will assign the design-builder to the non-profit, who will then manage the completion of the project. The University will lease the ground to the non-profit, who will own and operate the building until the defeasance of the bonds, at which time the building will revert to UW ownership at no additional cost. UWEO and the other tenants will occupy the building under an operating lease.

The Ledcor/Perkins & Will final proposal price, including allowances for consultant and permit fees, taxes, contingency, inspection and Physical Plant support, is within the approved project budget of \$17,220,000. The Capital Projects Office has reviewed the design-build selection results and recommends award of the contract.

Funding for this project is available from the following sources:

UWEO Equity	\$6,000,000
Tax Exempt Bond Proceeds	<u>\$11,220,000</u>
Total:	\$17,220,000

ENCLOSURE:

Capital Projects Office - Summary Project Budget

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

PROJECT: **Educational Outreach**

Project Number

10632

ESTIMATED DATE OF COMPLETION:

Spring 2007

Original Budget Agreement	Revised Budget (Date)	Current Forecasted Cost at Completion	Final Costs
---------------------------------	-----------------------------	---	----------------

BUDGET SUMMARY:

A. ACQUISITION	0	
B. CONSULTANT SERVICES		
1. PROGRAMMING	63,810	63,810
2. DESIGN-BUILD PROCUREMENT	324,087	323,892
3. EXTRA SERVICES/REIMBURSABLES	131,589	131,589
4. OTHER SERVICES	83,810	83,810
5. CONSULTANT SERVICES CONTINGENCY	31,113	31,308
TOTAL CONSULTANT SERVICES	634,409	634,409
C. PRIMARY DESIGN/CONSTRUCTION CONTRACTS		
1. MAX.ALLOW. DES./CONST.COST (MADCC)	12,847,501	12,848,192
2. GC/CM OR DB COSTS	In MADCC	In MADCC
3. SALES TAX ON MADCC	1,130,580	1,130,641
GUARANTEED CONTRACT COST	13,978,081	13,978,833
4. MADCC CONTINGENCY	1,284,750	1,284,819
5. SALES TAX ON CONTINGENCY	113,058	113,063
TOTAL DESIGN/CONSTRUCTION COSTS	15,375,889	15,376,715
D. EQUIPMENT	0	0
E. ARTWORK	0	0
F. OTHER COSTS	587,984	587,991
G. PROJECT ADMINISTRATION	621,718	620,885
H. RELATED PROJS/MITIGATION	0	0
TOTAL PROJECT BUDGET	17,220,000	17,220,000

SOURCE OF FUNDS:

UW BUILDING ACCOUNT/BRF		
STATE GEN'L FUND GO BONDS/NOTES		
UW NON-STATE REVENUE	17,220,000	17,220,000
NON-STATE REVENUE GRANT/GIFT		
TOTAL SOURCE OF FUNDS	17,220,000	17,220,000

C-7.1/203

3/17/2005