

**VII. STANDING COMMITTEES****B. Finance, Audit and Facilities Committee**Health Sciences Center H-Wing Renovation - Project PresentationRECOMMENDED ACTION:

It is the recommendation of the administration and the Finance, Audit and Facilities Committee that the total project budget for the HSC H-Wing Renovation project be established at \$18,146,716; that the use of alternative public works utilizing the General Contractor/Construction Manager (GC/CM) method of contracting be approved; that the President be delegated authority to award the GC/CM construction contract, subject to the contract being within budget and the funding being available; and that the President be delegated authority to increase the H-Wing Renovation Project architect's scope of work to include the design for the Biological Structure renovation, made possible by a recent NIH grant.

Project Scope

H-Wing is a five-storey building constructed in 1948, containing approximately 66,700 gsf. The building does not meet current seismic design standards and is wholly unsuitable for modern biomedical research, both in infrastructure and in physical layout. It houses laboratory and office space for several School of Medicine departments including Physiology and Biophysics, Biological Structure, Microbiology, and Bioengineering.

The state-funded portion of the project provides for the retrofit of the entire H-Wing building structure to meet current seismic standards. A grant from NIH and matching funds will provide for the renovation of laboratory spaces for the Department of Physiology and Biophysics, located on floors 2, 3 and 4. The project does not include badly needed repairs and improvements to building mechanical, electrical and other systems. As a result, unless additional funding is provided, at the completion of the project the existing building infrastructure will not support continued occupancy of the fifth floor of H-Wing, currently housing a portion of the Department of Biological Structure. The complete renovation of the H-Wing building has been envisioned as a phased project to be funded with State appropriated funds over several biennia. The 2006 Supplemental Capital Budget proposal will include a request for funding to complete the 5th floor in this project. This issue is addressed further below.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Health Sciences Center H-Wing Renovation - Project Presentation (continued p. 2)

##### Project Schedule

The project schedule is summarized in Attachment 1.

By previous action in November 2004, the BOR approved the award of the project design to Ambia Architects. Schematic design commenced in August and is currently progressing.

The schedule depends heavily on a complex move and surge space plan that is being developed in conjunction with the design. Relocation of some current J-Wing occupants to the soon-to-be-completed Genome Sciences Building will free up the necessary surge space to accomplish the moves from, to and within H-Wing as the project progresses. Careful planning and execution of the move plan is essential to the project's success.

##### Project Budget

The total project budget is \$18,146,716, as outlined Attachment 2. State appropriated funds of approximately \$10 million are earmarked for the seismic structural work, window replacement and associated infrastructure repairs, with the remaining approximately \$8 million for laboratory renovations coming from an NIH grant and matching supplemental state funds.

Mechanical, electrical and other infrastructure improvements to H-Wing are currently not funded in the project and are not a part of this budget. Should the administration succeed in obtaining additional funding in sufficient time to include this work in the project, the BOR will be requested in a separate action to approve a revised project budget for the additional scope of work.

The scope and budget for the project were developed prior to the adoption of the statutory LEED Silver requirements of ESSB 5509. The administration is evaluating whether or not the project is subject to the ESSB 5509 requirements, including its potential qualification for a waiver of those requirements as a research facility. The project budget does not include funding for LEED Silver design or construction costs, as it is not envisioned that the project will be submitted for certification under the LEED Green Building Rating system.

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Health Sciences Center H-Wing Renovation - Project Presentation (continued p. 3)

##### Project Delivery Strategy

The recommendation of the administration is to use the alternative public works contracting procedure, General Contractor/Construction Manager (GC/CM), authorized by RCW 39.10 for construction of this project. The logistical complexities of the project associated with major structural work in an occupied space, the challenges of a multi-phased move sequence and the effect of these and other factors on the pricing of this work in the marketplace demand that the University and the design team have a construction partner on board from the early phases of planning and design through the completion of the project. GC/CM is the delivery method most suited for this purpose.

As required by RCW 39.10, the administration announced through local newspapers its preliminary determination to use the GC/CM contracting method for this project. Following the required waiting period, the administration held a public hearing on September 8, 2005. No comments were received. Before proceeding with the GC/CM solicitation and selection process, the University must make its final determination to use GC/CM, which requires BOR approval. It is anticipated that the University will be prepared to award the GC/CM work in December 2005, which falls between the November and January BOR meetings. Delegation of authority to award the work is requested now to ensure that the project can continue as scheduled.

##### Opportunity to Expand the Project to the Fifth Floors of F, G, H and I Wings

The School of Medicine very recently received notice of award from NIH of a grant for the Department of Biological Structure. Biological Structure occupies the fifth floors of F, G, H and I Wings in Health Sciences. Please refer to Attachments 3 and 4 to understand the physical relationship of this work to the H Wing Project. The \$4 million grant, along with matching funds of \$4 million, would fund the renovation of the entire Biological Structure space in F, G, H, and I Wings. This work would also depend on an additional \$4 million for the upgrade of critical building systems in H-Wing. Without these funds for the laboratory renovations and the H-Wing systems upgrades, the Biological Structure work could not proceed.

Assuming formal approval of the Biological Structure grant and the availability of an additional \$8 million funding, there is a compelling case for combining both the design and construction of the Biological Structure renovation with the H-Wing project. Among the chief reasons is the fact that approximately 34% of the

## VII. STANDING COMMITTEES

### B. Finance, Audit and Facilities Committee

#### Health Sciences Center H-Wing Renovation - Project Presentation (continued p. 4)

Biological Structure space is in H-Wing. The fifth floor of H-Wing will not be able to support occupancy unless H-Wing building systems are upgraded in the lower floors and additional air is provided from the roof. This significant intersection of the two projects would create major conflicts in both design and construction, were they to be attempted as separate, simultaneous projects.

In order to facilitate the potential combining of the H-Wing project with the new Biological Structure renovation opportunity, it is necessary for the Capital Projects Office (CPO) to proceed immediately with the preliminary design of the Biological Structure phase. Pending formal approval of the Biological Structure grant and a commitment of the additional \$8 million in funding from other sources, the School of Medicine has committed \$500,000 to fund front end design. A commitment of \$200,000 for the schematic design portion is to be in place by mid-September, with the balance in place by the end of December 2005.

Subject to BOR approval, CPO intends to award the design of the Biological Structure phase to Ambia, since the work is integrally related to the H-Wing scope and the original design solicitation and selection process remains in effect. This action will not occur until a commitment of design funds is in place.

Initially, the design of Biological Structure will be about two months behind the current H-Wing project schedule, with the expectation that the two projects will synchronize over the remaining design phases. Unless preliminary design of the Biological Structure renovation begins now, the benefits of combining the two projects are lost and CPO would propose to do the Biological Structure project separately after the H-Wing project is completed, which would push completion of the Biological Structure work out to approximately mid-2010.

#### ENCLOSURES:

- Attachment 1 - Project Schedule
- Attachment 2 - Project Budget
- Attachment 3 - H-Wing Vicinity Map
- Attachment 4 - H- Wing Existing Scope Sketch

## 10402 MAG HSC/H Wing Infrastructure Upgrade

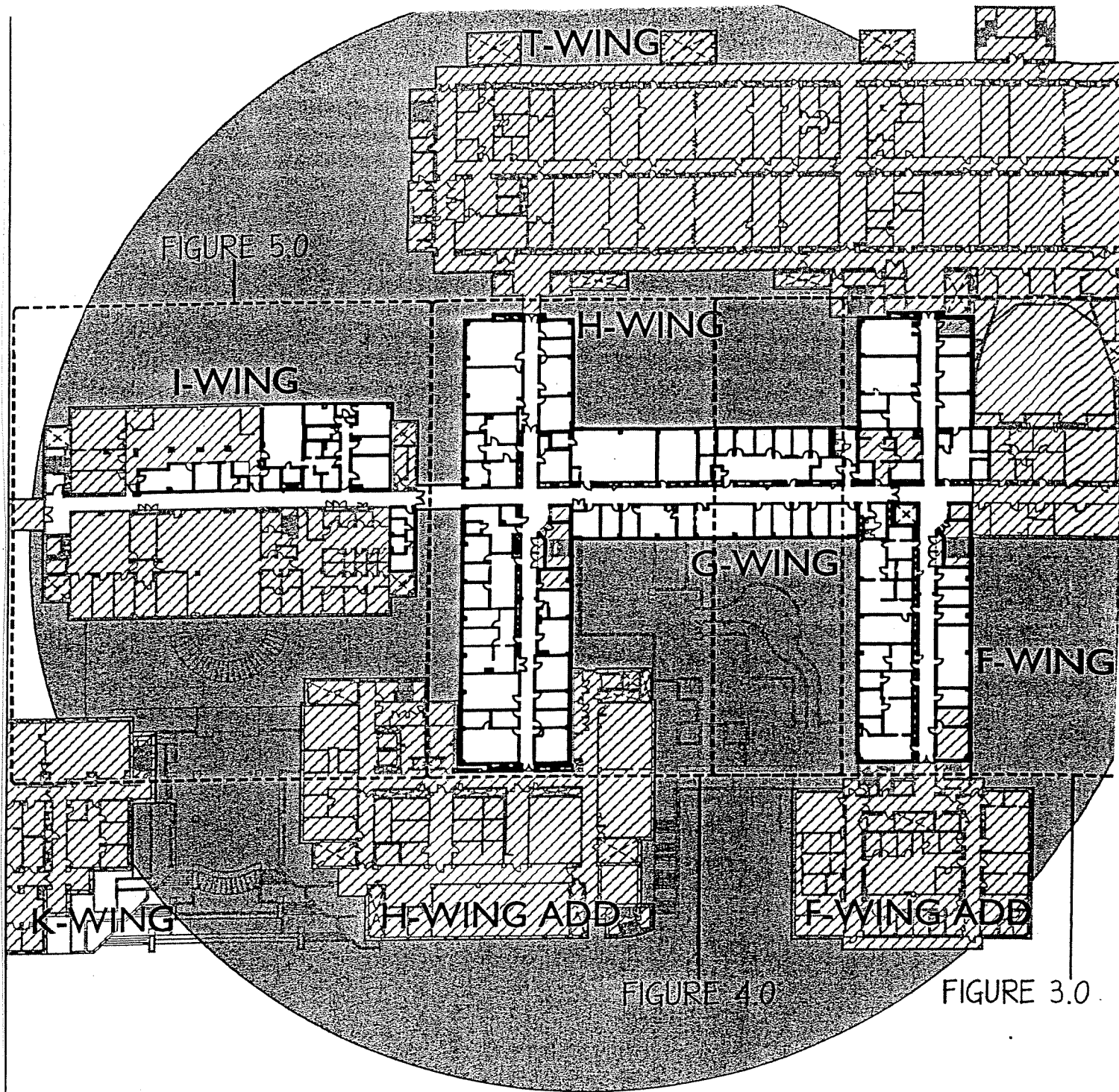
ID	Task Name	Duration	Start	Finish												
					2005			2006			2007			2008		
					Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	200
1	Consultant Selection	61 days	Fri 9/3/04	Fri 11/26/04	04	11/26/04										
2	PreDesign	154 days	Mon 11/29/04	Thu 6/30/05	11/29/04			6/30/05								
3	Schematic Design	113 days	Thu 6/30/05	Tue 12/6/05		6/30/05		12/6/05								
16	Design Development	127 days	Tue 12/6/05	Wed 5/31/06			12/6/05		5/31/06							
26	Construction Documents	152 days	Thu 6/1/06	Fri 12/29/06			6/1/06		12/29/06							
35	Phase One Buyout	45 days	Thu 12/28/06	Wed 2/28/07				12/28/06		2/28/07						
39	Phase One Construction	391 days	Thu 3/1/07	Fri 8/29/08				3/1/07						8/29/08		
45	GCCM Selection	70 days	Fri 9/16/05	Thu 12/22/05		9/16/05		12/22/05								
55	Occupancy	0 days	Mon 9/1/08	Mon 9/1/08											9/1/08	

## ATTACHMENT 2

**Cost Estimate**

	<b>Total Escalated Cost</b>	<b>% of TEC</b>
<b>Consultant Services</b>		
Pre-Schematic Design Services	69,000	0.4%
A/E Basic Design Services	832,000	4.6%
A/E Extra Services	421,000	2.3%
Other Services	649,000	3.6%
Design Services Contingency	113,446	0.6%
<b>Construction</b>		
MACC-Primary	10,070,000	55.5%
GC/CM Costs	1,536,000	8.5%
Sales Tax on Construction	1,021,328	5.6%
Construction Contingencies	1,611,000	8.9%
Sales Tax on Contingencies	141,768	0.8%
<b>Other</b>		
Equipment		
Artwork		
Other costs	529,000	2.9%
Project Management	1,153,174	6.4%
<b>Total Escalated Project Cost</b>	<b>18,146,716</b>	<b>100.0%</b>
<b>Escalation (included in above)</b>	<b>1,560,000</b>	
<b>Unfunded Costs (included in above)</b>		
LEED Silver design		
LEED Silver construction		
Escalation beyond 3%		
<b>Source of Funds</b>		
State Gen'l Fund GO Bond/Notes	13,996,716	
UW Non-State Revenue	500,000	
Non-state Revenue Grant/Gift	3,650,000	
	<b>18,146,716</b>	

# FIGURE 1.0



PROJECT SCOPE - EXISTING



FIGURE 2.0