

## 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 Executive Vice President in Executive 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.

**Magnuson Health Sciences Center T-Wing Cooling Tower Replacement, Project No. 3902  
Action Reported: Engineer Appointment/Establish Project Budget, Contract Award**

On June 5, 2006, an agreement for design and on August 1, 2006 an agreement for construction services under an existing Energy Savings Contract (ESCO) was awarded to McKinstry Company via the Inter-Agency Agreement between UW and the State of Washington General Administration (GA). The total amount agreed for both design and construction contracts is \$922,795 for the Magnuson Health Sciences Center (MHSC) T-Wing Cooling Tower Replacement Project.

McKinstry, established in Seattle in 1960, is one of the leading mechanical construction and engineering firms in the Pacific Northwest. McKinstry offers a broad range of construction, design and facility services. Their previous work for the University totals over \$30 million, including recent projects such as the Fisheries Building, and the Research and Technology Building.

The project scope includes replacing the existing 54-ton fluid cooler (cooling tower) system that serves the T-wing process cooling loads, with a 315-ton fluid cooler system. Condenser water interconnect piping will be added to connect the fluid cooler to an existing 200 ton chiller (approximately 250 tons on fluid cooler load) located in the basement of the G-wing to provide condenser water cooling for the chiller during "Summer Mode". The Notice to Proceed was issued to McKinstry on August 1, 2006 and construction is expected to be completed by December 22, 2006.

The project budget is established at \$1,125,000. Funding is being provided from the 2005-2007 Building Renewal Program.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs	\$141,791	\$141,791
Total Construction Cost*	\$964,534	\$964,534
Other Costs	\$17,741	\$17,741
Project Administration	\$100,934	\$100,934
<b>Total Project Budget</b>	<b>\$1,225,000</b>	<b>\$1,225,000</b>

\* Includes construction and design contract amount, contingencies and state sales tax

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Actions Taken Under Delegated Authority (continued p. 2)

**Magnuson Health Sciences Center AA-Wing Court Roof Replacement, Project No. 201129  
Action Reported: Construction Contract Award**

On July 11, 2006, a construction contract for the Magnuson Health Sciences Center (MHSC) AA-Wing Court Roof Replacement was awarded to Lloyd Lynch General Contractors, Inc., in the amount of \$698,378. Four bids were received for this project. The high bid was \$921,385. The budgeted construction cost was \$749,875.

Lloyd Lynch General Contractors, Inc. is a general contractor in the Seattle area that has been in business since 1972. Lloyd Lynch has completed other roofing projects at the University, including Benson Hall, Gerberding, Terry Lander, HSC T-Wing and the HUB. They were subcontractors on the Johnson Hall Renovation, the William H. Foege Building (Bioengineering) and the Physics-Astronomy Building

The MHSC AA-Wing Court Roof Replacement project will replace approximately 18,500 square feet of roofing including the roof of the Health Sciences AA-Wing Court and the related mezzanine roof. Construction was started in August 2006 and will be completed in October 2006.

The project budget is \$1,204,310. Due to favorable bids, the forecast is \$1,166,022. Funding is available from the 2005-2007 Building Renewal Program.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Services	\$123,308	\$120,833
Total Construction Cost*	\$1,022,781	\$955,323
Other Costs	\$16,315	\$15,701
Project Administration	\$77,906	\$74,165
<b>Total Project Budget</b>	<b>\$1,240,310</b>	<b>\$1,166,022</b>

\*includes construction cost amount, contingency and sales tax

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Actions Taken Under Delegated Authority (continued p. 3)

#### **Health Sciences Center I-Wing Minus 2 Level HVAC Improvements, Project No. 201245 Action Reported: Contract Award / Budget Adjustment**

On August 8, 2006, a construction contract was awarded to CDK Construction of Duvall Washington in the amount of \$1,360,200 for the Health Sciences Center (HSC) I-Wing Minus Two Level HVAC Improvement project. Three bids were received for the project. The high bid was \$1,409,000. The budgeted construction cost was \$890,998.

CDK Construction is a general contractor and has successfully completed several projects for the University of Washington, including several projects in the Health Science Center. Projects at the UW include HSC School of Nursing Distant Learning Center Relocation, HSC D209 Lecture Hall Remodel, HSC T-Wing Library Security Improvements, UWMC Cardiac Procedure Remodel, UWMC Steam Kettle Replacement, Kane Hall Classroom Improvements, and Merrill Hall Reconstruction.

This project upgrades the existing lab exhaust ducts, filters, fans, and controls to ensure negative pressure relationships and biological containment in the lab suite in accordance with BSL3 certification requirements. During the design phase of the project it was determined that eight non-certified biological safety cabinets required replacement and that central supply air humidification would be added to the project scope, in accordance with animal care standards.

The original project budget was \$1,595,511. It was increased and reported in the July 2006 meeting to \$1,808,000 to account for the scope changes described above. The project budget is now increased from \$1,808,000 to \$2,304,889 to account for the higher than expected bids.

Funding is available from two sources: Central Administration Capital Reserves 2005-2007 for \$2,244,889 and 2003 –2005 Safety Budget for \$60,000 for a total of \$2,304,889.

<b>Budget Summary:</b>	<b>Current Approved Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs	\$ 261,830	\$267,277
Total Construction Cost *	\$1,337,006	\$1,825,447
Other Costs	\$64,670	\$64,670
Project Administration	\$144,495	\$ 147,495
<b>Total Project Budget</b>	<b>\$1,808,000</b>	<b>\$2,304,889</b>

\*includes construction cost amount, contingency and sales tax

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#### Actions Taken Under Delegated Authority (continued p. 4)

#### **Magnuson Health Sciences Center D-Wing Elevators #186 and #187 Replacement, Project No. 201113**

#### **Action Reported: Appoint Architect/Budget Adjustment**

On March 24, 2006, an architectural agreement was awarded to S.M. Stemper Architects for the Magnuson Health Sciences Center (MHSC) D-Wing Elevators #186 and #187 Replacement Project. The contract was awarded in the amount of \$54,655. The budget for consultant services is \$123,929. The balance of the design budget is intended for existing conditions and site investigations, hazardous material design and construction phase services.

At the time of architect selection, the scope of the project was budgeted at less than \$1M. During design, scope refinements increased the budget to over \$1M.

S.M. Stemper Architects was formed in Seattle in 1988 and has a successful track record of projects involving renovations of building systems such as roofing and elevator replacement projects at the University.

This project will replace and upgrade elevators #186 and #187 in the MHSC D-Wing. The existing elevators are about 36 years old and have had continual problems over the last few years. This work will be phased to take down one elevator at a time and is expected to take about a year. Construction is expected to begin November 2006.

The project budget is now increased from \$934,421 to \$1,306,149. Funding is available from Facilities Services Building Renewal Budget 2005-2007.

<b>Estimated Budget Summary:</b>	<b>Current Appr'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Services	\$85,571	\$134,571
Total Construction Cost*	\$777,920	\$1,061,998
Other Costs	\$9,800	\$26,960
Project Administration	\$61,130	\$82,621
<b>Total Project Budget</b>	<b>\$934,421</b>	<b>\$1,306,149</b>

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

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#### Actions Taken Under Delegated Authority (continued p. 5)

#### **Gordon Lab Renovation, Project No. 201212**

#### **Action Reported: Establish Budget / Appoint Architect**

On June 14, 2006 an architectural agreement was awarded to Ambia, Inc., for the Gordon Lab Renovation. The contract was awarded in the amount of \$81,700. The budget for design is \$279,108. The balance of the design budget is intended for hazardous material design, testing and balancing, and other related design services.

Ambia, Inc., is an architectural firm based in Seattle and Olympia. They have successfully completed many lab renovations in Health Sciences and they were also selected for the H Wing Renovation project.

This lab renovation includes new office space, student work room, a tissue culture room with two Biological Safety Cabinets and gas storage area, open lab areas with fixed casework benches and write-up stations, and space for lab equipment. The project will utilize an existing cold room in the area. Total renovation includes approximately 2,300 gross square feet.

Design is ongoing. Construction is expected to begin in January 2007 with completion in June 2007.

The project budget is established at \$1,201,480. Funding is available from the School of Medicine.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs	\$279,108	\$279,108
Total Construction Cost*	\$807,479	\$807,479
Other Costs	\$18,453	\$18,453
Project Administration	\$96,440	\$96,440
<b>Total Project Budget</b>	<b>\$1,201,480</b>	<b>\$1,201,480</b>

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

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#### Actions Taken Under Delegated Authority (continued p. 6)

#### **Research & Technology Building COE Tenant Improvements Environmental Microbiology Stahl Lab, Project No. 200830 Action Reported: Contract Award**

A Design Build Operate Maintain (DBOM) contract was awarded to M. A. Mortenson on June 22, 2004 to provide design and construction of the core and shell of the Research & Technology (R&T) Building. It was intended that future tenant improvement work would be accomplished under this DBOM agreement. The second such tenant has been identified: Environmental Microbiology laboratories for Dr. David Stahl and his team in the College of Engineering (COE), occupying approximately 4,400 square feet on the fourth floor.

On June 20, 2006 a change order was issued to establish the G-Max construction costs at \$1,254,045. In spite of escalation pressures, the contractor was able to hold the guaranteed price within the original budget by reducing the contingency to \$38,791, or just under 4% of costs. All subcontract work has been bid resulting in an additional savings of over \$28,000. A \$57,000 autoclave is needed as part of the programming which will require use of the savings and most of the contingency account. A Notice to Proceed was issued for June 23, 2006 with actual onsite work starting on July 7, 2006. Tenant move in planning continues with an anticipated construction completion date of November 27, 2006.

Construction is underway and the overall project is expected to remain within budget.

The project budget is \$1,462,000. Funding is from Tenant Improvement Bond proceeds. No sales tax is included in budget as this research tenant qualifies for tax deferral status.

<b>Budget Summary:</b>	<b>Current Apprv'd Budget</b>	<b>Forecast Cost At Completion</b>
Total Consultant Svcs*	\$5,000	\$5,000
Total Design – Build Construction Cost**	\$1,254,045	\$1,254,045
Other Costs	\$133,125	\$133,125
Project Administration	\$92,830	\$92,830
<b>Total Project Budget</b>	<b>\$1,462,000</b>	<b>\$1,462,000</b>

\* refers to fees to consultants retained by University to prepare Furniture, Fixtures & Equipment specifications.

\*\* Includes design fees, construction contract amount, contingencies and no state sales tax.

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##### **Harborview Medical Center**

##### **Action Reported: Magnetic Resonance Imaging System Purchase**

Harborview Medical Center has undertaken a project to improve its Magnetic Resonance Imaging (MRI) capabilities. Harborview's existing MRI is currently operating 24 hours a day seven days a week without a back-up unit. Its utilization rate is above standard use levels for comparable hospitals and reflects the growing demand for greater access by patients.

Harborview issued a competitive request for proposals for a new MRI system. Three responses were received, and the proposal from Siemens Medical Solutions USA Inc. was determined to be the most responsive for Harborview's requirements. The new MRI is state-of-the-art technology, and will support an emphasis in Neuroscience as part of Harborview's strategic development. A purchase order contract in an amount not to exceed \$2,800,000 plus sales tax was issued to Siemens. Funding is available in Harborview's capital budget.

##### **University of Washington Medical Center**

##### **Action Reported: Angiography System Purchase**

University of Washington Medical Center (UWMC) Department of Radiology performs angiographic imaging procedures 24 hours per day, and older equipment limits the number of patients who can be seen. Examples of procedures performed with the angiography system include stent placement, catheter placement for chemotherapy infusion, and stone removal. Replacing the angiography system with updated technology will enhance imaging capabilities, and will be fully integrated with the department's digital imaging system.

The University issued a competitive request for proposals for the angiography system. Three responses were received, and the proposal from Siemens Medical Solutions USA Inc. was determined to be most responsive for UWMC's requirements. A purchase order contract in an amount not to exceed \$1,400,000 plus sales tax was issued to Siemens. Funding is available from UWMC's capital budget.

##### **UW Medicine**

##### **Action Reported: Sponsorship Agreements**

UW Medicine has conducted strategic marketing programs over the years to raise awareness about UW Medicine and the services that this healthcare system provides. UW Medicine has purchased various small sponsorships and placed advertisements in print and on radio and television throughout each fiscal year. Traditional advertising costs have increased significantly over the past few years, and local newspapers, magazines, television and radio are filled with similar messages from healthcare organizations. Therefore, UW Medicine has decided to refocus its marketing communications efforts and to seek out exclusive sponsorship opportunities in the healthcare category where possible.

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Two sponsorship agreements have been executed for such sponsorships. UW Medicine is the exclusive healthcare sponsor with The Baseball Club of Seattle, doing business as the Seattle Mariners Baseball Club, for sponsor signage and other advertising and promotional opportunities at Mariners regular season home games at Safeco Field. The five year not to exceed sponsorship total is \$4,425,000. A second sponsorship agreement was executed with Washington ISP Sports Network in an amount not to exceed \$1,250,000 for five years. ISP is the exclusive multi-media rights provider for UW Intercollegiate Athletics venues. UW Medicine has been a sponsor with UW Athletics for many years, and the sponsorship agreement with ISP is a continuation of Medicine's signage and other sponsorship opportunities in these venues.

These sponsorship agreements exceed \$1 million each and are being reported in accordance with the Standing Orders of the Board of Regents, Delegation of Authority. A third sponsorship agreement has also been executed, within the dollar limits in the Delegation of Authority, with the Seattle Marathon Association, for official title sponsorship by the University of Washington Medical Center. The four year agreement is a not to exceed total of \$530,000, and provides UWMC name visibility in association with this popular community event.