

August 9, 2018

TO: Tukwila City Council

FROM: Steve Goldblatt
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RE: Public Safety Plan
August update

In June, the Council approved the Plan's phasing and financing, based upon the Finance Committee and City staff's five-month exploration of options. Now that a new Fire Station 54 has been eliminated from the approved scheme, the current Station 54's needs will be assessed per Council direction. The Project Executive Team and City partners have had another productive month on all remaining elements of the Plan.

FIRE STATIONS

● Site development

Geotechnical exploration will inform site development costs for Fire Station 52. The City owns the property for now-deleted Fire Station 54, and its use or disposition will be a future decision. Regardless of what the City decides to do with the property, the existing abandoned home is a hazard and should be removed. A hazmat investigation has been completed in preparation for the home's demolition.

● Station 51 design development

Per Council consensus 12 February to move forward from schematic design, Weinstein AU is completing Station 51's design development phase. Design development pricing is expected 20 August in Public Safety, 27 August in COW, and 4 September in Council. Station 51's revised budget is \$13.3 million.

● Station 52 schematic design

Weinstein AU began the schematic design phase for Station 52 this month. Station 52's revised budget is \$18.6 million.

● Station 54 assessment

On 18 June, the Council eliminated new Station 54 from the Plan via Option D-20(f). Council has asked for an estimate to make life safety improvements to the existing station. This work has been initiated.

● Stations' budget

With input from GC/CM Lydig Construction, Station 51's schematic design estimate of \$12.5 million was the first "real" number presented to Council 12 February. The project team is working on understanding Station 51's schematic design estimate and its implications on Station 52's budget, specifically adjusted to the City Hall site. At this point however, the overage is expected to grow for both stations. Station 54's deletion will lose some economy of scale on design, construction, and dependent costs for Stations 51 and 52.

- **GC/CM pre-construction services**
Lydig conducted the process to select an EC/CM electrical contractor and an MC/CM mechanical contractor pursuant to RCW 39.10.385. In May, Valley Electric was selected as EC/CM and Johansen Mechanical as MC/CM. Both firms had been engaged, but Station 54's deletion dropped the electrical scope of work beneath the \$3 million threshold for the use of EC/CM. So, Valley is out, and the electrical work will be bid. Lydig will have to prequalify electrical subcontractors to lower the risk of the bid market.
- **Disadvantaged Business Enterprise and local hiring policies**
The Council unanimously passed Resolution 1929 on 2 April, adopting DBE and local hiring policies for the Plan's projects. The DBE goal is 17% and the local hiring goal is 20%, complementing the City's 10% apprenticeship requirement of Resolution 1814. The first metrics that the Council sees can be expected mid-2019. Lydig—and BNBuilders for the Justice Center—were represented at the 23 June open house to talk about job opportunities.

JUSTICE CENTER

- **Property acquisition**
The first of nine Justice Center properties closed in May, with a second expected to close later this month. Depending on due diligence and site access, the Council should expect final pricing and closed transactions for more of the properties. If site acquisition is extended, permitting, environmental, and construction starts may be delayed. Public Use and Necessity will be argued 14 Sept. A hazmat investigation has been completed on the first property in preparation for demolition. Due to the lack of access to three parcels in the middle of the site, there remain unknown risks that haven't been fully estimated; additional site contingency funds are included in the overall project budget.
- **Design development**
On 7 May Public Safety recommended continuation into design development. At COW on 14 May, the Council concurred with the recommendation, and the team began design development mid-June. Design development pricing is expected 1 October in Public Safety, 8 October in COW, and 15 October in Council. The revised budget is \$68.5 million.
- **GC/CM pre-construction services**
BNBuilders continues to work with the design team on cost estimating, constructability, material selection, and scheduling. BNB received Public Safety and Council approval 6 August to perform early abatement and demolition work on the JC-9 property.

CONSOLIDATED SHOPS

● **Property acquisition**

Depending on due diligence and site access, the Council should expect final pricing and closed transactions for the Shops properties later this year. Site investigations and negotiations are ongoing. King County Superior Court granted the City's request for Public Use and Necessity. Negotiations are under way regarding access, possession, and price.

● **Design services**

A request for proposals went out 25 June for architectural services on a shops master plan and Heiser facilities tenant improvements. Ten proposals were submitted 20 July for shortlisting 23 July. Three interviews with finalists will be held 13 August. The recommended firm is scheduled to be presented for consideration by Public Safety 17 September, COW 24 September, and Council 1 October.

OTHER RESOURCES

● **Professional services**

The Project Executive Team is working through procurement of additional consultant resources for the Fire Stations and Justice Center; e.g., testing and inspections. Following the envelope consultant 12 February, Council can expect to see more contracts for these services. Hazmat and commissioning await construction. Archeologists and transportation consultants for environmental reviews will be procured as needed.

PROPERTY ACQUISITIONS

● **Due diligence**

On 20 November, Council approved contracts to conduct surveys, environmental reviews, and geotechnical analyses to prepare for property acquisitions. That work has been underway. As expected, soil contamination has been found on the first Justice Center parcel. On 19 March, the Council unanimously approved amendments to all three contracts to allow necessary work to continue and to provide contingencies. These activities continue. The Shops' negotiations may necessitate an amendment to environmental and survey contracts.

PROGRAM SCHEDULE

● **Tight schedule**

The overall schedule remains very ambitious. With so many activities under way, there is little room for any missteps to meet the Plan's revised milestones. The Project Executive Team, City staff, and Council are doing as well as can be expected given all the new properties' access, due diligence, and acquisition challenges. Fire Station 51 and Justice Center bidding is now expected to begin in January 2019 and construction next spring.

PROGRAM BUDGET

Financial plan

From 6 February through 5 June, the Finance Committee and staff conducted an intensive effort to develop recommendations for full Council discussion re the Plan's significant financial gap. This effort culminated 5 June in a unanimous Committee recommendation of Option D-20(f) that was discussed at the 11 June Council workshop. Council reached consensus for Option D-20(f), approved by a full Council vote 18 June.

Contract reconciliations


Fees for Weinstein AU, DLR, and SOJ were based on the Plan's bond measure budget and had to be reconciled to the real project budgets. Also, Lydig and BNB had clean-up language to their GC/CM contracts. All of these were approved by Public Safety 16 July, COW 23 July, and Council 6 August.


Market conditions


Like the Fire Stations, the Justice Center and Consolidated Shops budgets will need to be sensitive to tight construction market conditions and increasing property values. These external budget pressures will manifest themselves as property is procured and project estimates are refined.

LEGEND

 **Meeting target**
Proceeding as planned.

 **Caution advised**
Steps needed to meet target.

 **Correction needed**
Steps needed to attempt recovery.

 **Not meeting target**
No recovery plan in place.