



INFORMATIONAL MEMORANDUM

TO: Transportation and Infrastructure Services Committee
FROM: Hari Ponnekanti, Public Works Director/ City Engineer
CC: Mayor Allan Ekberg
DATE: April 1, 2022
SUBJECT: Public Works Fleet and Facilities Tenant Improvement Project
Project No. 91630601
Project Update

Issue

Project progress update on the construction for the tenant improvements at the Public Works – Fleet & Facilities Shop and explore funding plan for project completion costs.

Background

The Public Works Fleet and Facilities Tenant Improvement Project scope includes seismic upgrades, plumbing and electrical, fire protection, HVAC upgrades, and interior offices, locker rooms, and showers. The original estimate for project completion was December 2021, but due to Covid-19 related supply chain delays and some necessary added scope of work, the newly revised completion estimate has moved to the early part of April 2022.

After the completion of the interior Tenant Improvement work, there will be some additional exterior scope of work to be completed: roofing work, exterior envelope repair, painting, and covered storage structure construction at the south end of the western property. This work is planned to be completed by end of 2022, barring further supply-chain issues resulting from the global pandemic.

Analysis

The Tenant Improvements Project is on the revised schedule and is approximately 96% complete, with 94% of the construction contract budget being expended to date. The expected completion date has been revised to early April. Please see attached monthly progress report for more detailed information on construction status.

The attached “Tukwila Fleet and Facilities Building Tenant Improvement five-week construction schedule” provides the timeline for construction progress. To date, we have completed all demolition work, all seismic reinforcement work involving upgraded foundations, new steel brace frames, strengthening of existing steel frames; and all of the administrative offices area including the restrooms and locker rooms, and installation of cabinets and finishes. Additionally, the delayed roll-up doors have been installed and some additional scope of work for intrusion detection system support is nearly complete. The current overall budget of \$9.75M (which includes the Tenant Improvement Project Budget) for the Public Works project is expected to result in approximately \$1.7M remaining in budget for the exterior work, after the completion of the Tenant Improvement portion of construction. Please see attached monthly construction report (Tenant Improvement project) with project progress and photos.

The following set of tables provide details the overall project budget, what is included in the exterior scope of the tenant improvement project, as well as the budget requirement to complete the exterior scope of the project.

Current Public Works Budget	Public Works Expenses to Date	Anticipated Remaining Costs till Completion	Anticipated Remaining Budget After Completion
① 9,750,009	② \$7,259,001	③ \$790,999	\$1,700,000

Total Public Works Project Budget		
	① Current Budget	② PW Expenses to Date
A/E Services (Design & CA)	\$ 670,768	\$ 585,050
Permits/Fees	\$ 154,315	\$ 112,105
Construction	\$ 6,829,111	\$ 5,380,811
Construction (Tax)	\$ 662,618	\$ 510,744
Construction Related Costs	\$ 432,821	\$ 271,501
PM Services (incl Other Professional Svcs)	\$ 443,900	\$ 398,790
Contingency (incl Construction & Project)	\$ 556,476	\$ -
Total	\$ 9,750,009	\$ 7,259,001

The table below describes the current construction contract with Lincoln Construction, Incorporated from the original contract to the current contract sum to date as of February (including sales tax). As a reminder, at the time of Bid Award, Lincoln Construction was the third lowest responsive bidder after two other contractors rescinded their bids due to error. One of the conditions requested by Lincoln Construction of accepting the award was to exclude the Bid Alternate for the roof enhancement scope. This was due to Lincoln’s Bid error associated with the Alternate.

Lincoln Construction Contract	
Original Contract	\$ 4,427,221.00
Total Change Orders to Date (Including Feb)	\$ 755,680.00
Total Contract Sum to Date	\$ 5,182,901.00
Sales Tax (10.1%)	\$ 523,473.00
Total Contract Sum to Date (including tax)	\$ 5,706,374.00
Council Approved Maximum Budget	\$ 5,849,244.39
Remaining Amount of Council Approved Budget	\$ 142,870.39

③ Anticipated Cost to Completion of Tenant Improvement Scope	
Anticipated Change Orders	\$ 198,180.00
Mechanical Lift Equipment Move/Install	\$ 65,000.00
Additional Site Security Along Perimeter	\$ 20,000.00
Moving Costs	\$ 30,000.00
Additional CM Costs	\$ 40,000.00
Post Occupancy Contingency	\$ 437,819.00
Total Anticipated Remaining Cost (tax included)	\$ 790,999.00

The remaining exterior scope of work (roofing work, exterior envelope, and covered storage) will cost approximately \$2.7 M to complete, which includes the architect’s additional services fee of \$130,000, the estimated cost of work at approximately \$1.4M, and associated construction related expenses such as tax, permit fees, inspections and change

order contingencies. This this results in a budget shortfall of approximately \$1M to complete the exterior scope of work and is largely attributable to the following reasons:

- Higher than anticipated expenditure for the Tenant Improvement construction Change Orders due to cost of escalation related to pandemic supply chain issues, and necessary added scope of work (additional security measures, more equipment purchase, etc.)
- Roof upgrade scope of work to provide 20-year warranty and additional exterior envelope scope to extend the building’s life span

Exterior Scope Cost	Remaining After Tenant Improvement Completion	Budget Shortfall for Ext Scope
④ \$2,700,000	\$1,700,000	\$1,000,000

④ Estimated Exterior Scope Cost	
Cost of Work (Roof Work/Exterior Envelope Paint & Repair/Exterior Storage	\$ 1,541,400.00
Change Order Contingency (30%)	\$ 462,420.00
Architect Additional Services Cost	\$ 130,000.00
Additional CM Costs	\$ 85,000.00
Waterproofing Consultant	\$ 50,000.00
Associated Construction Expenses	\$ 200,000.00
Project Contingency (9%)	\$ 231,180.00
Exterior Scope Cost (tax included)	\$ 2,700,000.00

Next Steps

Prepare the construction documents for the 20-year roofing system, exterior envelope repair and painting, and parking/storage structure. Further, execute the work either by continuing to contract with Lincoln Construction (through a separate construction contract or as a change order to the current contract) or by going out for another bidding process.

Project Completion Exterior Scope Costs	
Portion of Excess Funds from George Long Shop Proceeds	\$ 500,000.00
Utility Funds	\$ 500,000.00
Total Additional Funds Requested	\$ 1,000,000.00

We have information from Economic Development that indicates we should anticipate selling George Long Shop for a significantly higher amount than previous estimates suggested. These excess proceeds could fund the additional \$500k needed from the General Government. This additional investment would insure the protection of the completed public works project, as well as insuring legacy status for DOE approved shoreline critical area variance. Staff is looking for direction from the Council for budget authority for the additional \$1,000,000 (\$500k from general fund portion, \$500k from utility).

Recommendation

Staff is looking for direction from the Council for the additional \$1,000,000 (\$500k from general fund portion) at the April 11, 2022 Committee of the Whole meeting. There are adequate funds in the PSP (after the George Long land sale) and enterprise funds (50/50 cost share).

Attachments: 2021 CIP page 56
 March 2022 Construction Report
 March 2022 Budget Report
 Tukwila Fleet and Facilities Building Tenant Improvement 5-week Schedule

CITY OF TUKWILA CAPITAL PROJECT SUMMARY

2021 to 2026

PROJECT: Public Works Shops

Project No. 91630601

DESCRIPTION:

Construct a new City Public Works maintenance and operations center, combining all operational functions at one location. Facility may also include a City Clerk & Police Records Center and Police evidence storage.

JUSTIFICATION:

Existing Public Works operations and maintenance areas are inadequate structurally and seismically. Current land for staging dirt and vector materials is only temporary. Project includes selling dirt/vector land, Minkler Shops, and George Long Shops to acquire the real estate to build an equipment operations center that meets current codes.

STATUS:

Separate from the Public Safety Plan. Was formerly known as City Maintenance Facility.

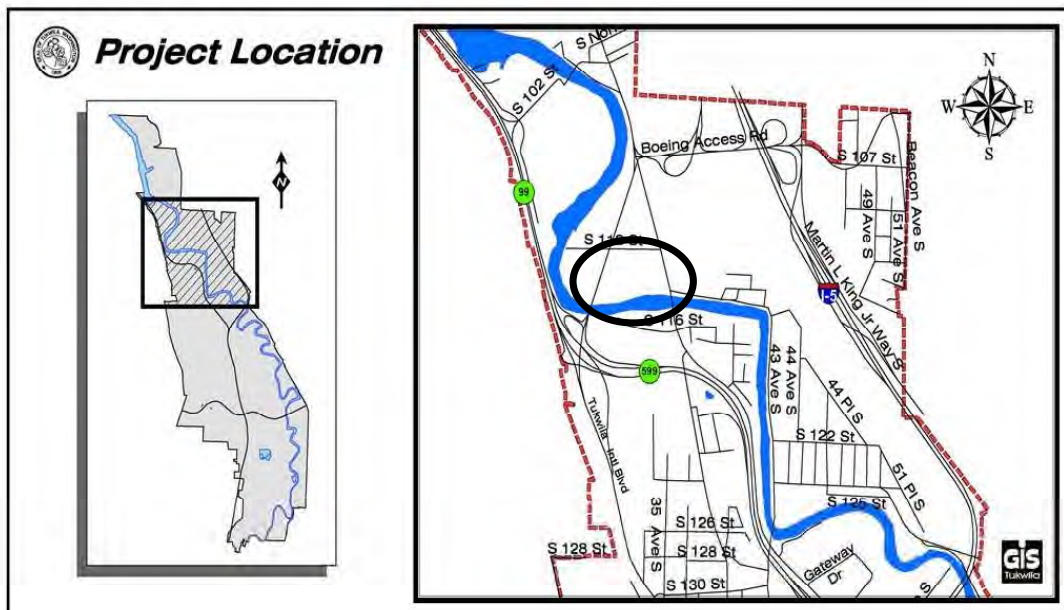
MAINT. IMPACT:

Improves safety and efficiency for First Responders and maintenance operations.

COMMENT:

Based on usage and benefits, it is estimated that the Water, Sewer, and Surface water enterprise funds will fund 50% of the Public Works Shops with the other 50% funded by Streets, Facilities, & Equipment Rental.

FINANCIAL (in \$000's)	Through 2019	Estimated 2020	2021	2022	2023	2024	2025	2026	BEYOND	TOTAL
EXPENSES										
Design/PM	722	300			500					1,522
Land (R/W)	25,462									25,462
Const. Mgmt.	11		1,050							1,061
Construction	14	624	7,517			20,000	20,000			48,155
TOTAL EXPENSES	26,209	924	8,567	0	500	20,000	20,000	0	0	76,200
FUND SOURCES										
Enterprise Funds	8,572	462	4,284		250	20,000				33,568
Councilmatic Bond	5,572					20,000				25,572
REET/ Funds	3,000		3,000							6,000
General Fund		462	1,283		250					1,995
306 Fund Balance	9,065	0	0	0	0	(20,000)	20,000	0	0	9,065
TOTAL SOURCES	26,209	924	8,567	0	500	20,000	20,000	0	0	76,200



TUKWILA PUBLIC SAFETY PROJECTS

Public Works

SOJ

Construction Management Monthly Report

March 2022

Report Reviewed by: Justine Kim



Owner's Representative: Shiels Oblatz Johnsen (SOJ)

Architect: SHKS Architects

Development Progress:

- Punch listed interiors

Upcoming Construction Activities:

- Intrusion Detection system install
- Mechanical lift installation
- Certificate of Occupancy Inspection

Budget Status:

- Revised contract amount now \$5,182,901

Change Order Status:

- Total Change Orders (1-11) approved to date: \$755,680
- There will be one or more change orders.

Schedule Status:

- See attached 3-week schedule. Final completion date remains unchanged. (The Substantial Completion date is changing due to Fire Inspections).

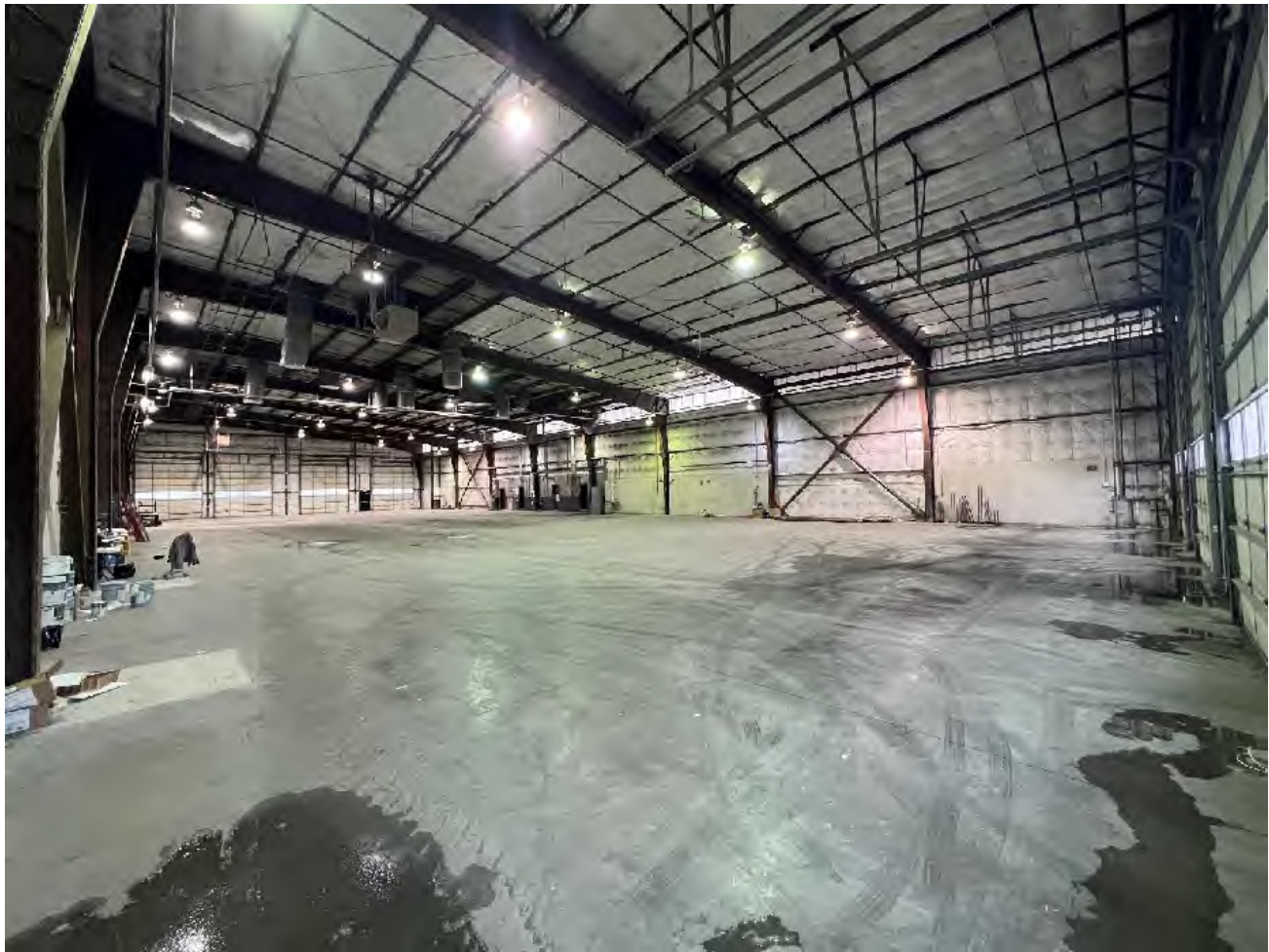
Critical Issues:

- None

















**City of Tukwila - Public Works Fleet & Facilities
TOTAL PROJECT**

**MONTHLY Budget Report
(REVISED Budget; D-20 Plan Adopted by Council)**

Life to Date Costs
as of March 25, 2022 (reconciled w/acctg thru March 2, 2022 GL)

COUNCIL REPORTING SUMMARY - PUBLIC WORKS	<i>Original Budget</i>	<i>Budget Transfers</i>	<i>Current Budget</i>	<i>Committed Budget</i>	<i>Life to Date Costs</i>	<i>Remain'g Committed</i>	<i>Remaining Budget</i>
A/E Services (Design & CA)	\$ 670,768	\$ -	\$ 670,768	\$ 611,393	\$ 585,050	\$ 26,343	\$ 59,375
Permits/Fees	\$ 130,000	\$ 24,315	\$ 154,315	\$ 132,105	\$ 112,105	\$ 20,000	\$ 22,210
Construction	\$ 6,715,000	\$ 114,111	\$ 6,829,111	\$ 5,506,838	\$ 5,380,811	\$ 126,028	\$ 1,322,273
Construction (Tax)	\$ 662,618	\$ -	\$ 662,618	\$ 546,985	\$ 510,744	\$ 36,241	\$ 115,633
Construction Related Costs	\$ 378,186	\$ 54,635	\$ 432,821	\$ 302,489	\$ 271,501	\$ 30,987	\$ 130,332
PM Services (incl Other Professional Svcs)	\$ 350,000	\$ 93,900	\$ 443,900	\$ 414,301	\$ 398,790	\$ 15,511	\$ 29,599
Contingency (incl Construction & Project)	\$ 843,437	\$ (286,961)	\$ 556,476	\$ -	\$ -	\$ -	\$ 556,476
SUBTOTAL-CURRENT MANAGED PROJECT	\$ 9,750,009	\$ -	\$ 9,750,009	\$ 7,514,110	\$ 7,259,001	\$ 255,110	\$ 2,235,898
Previously Managed Svcs (Land,A/E,Bond,Demo)	\$ 25,949,992	\$ -	\$ 25,949,992	\$ 25,936,198	\$ 25,936,198	\$ -	\$ 13,794
TOTAL-COMBINED PROJECT	\$ 35,700,000	\$ -	\$ 35,700,000	\$ 33,450,308	\$ 33,195,199	\$ 255,110	\$ 2,249,692

