

September 12, 2018

TO: Tukwila City Council

FROM: Steve Goldblatt
PMQA Consultant

RE: Public Safety Plan
September 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. On September 4, Public Safety expressed support for removal of the existing abandoned home. A hazmat investigation has been completed in preparation for the home's demolition.

● **Station 51 design development**

Weinstein AU completed Station 51's design development phase. Design development pricing was presented 20 August in Public Safety and 27 August in COW, with Council consensus to move forward to the construction documents phase. Seven Fire Department-preferred alternates will be fully designed and included in bid package documents; Council will decide if/when any or all are adopted. Station 51's revised budget is \$13.3 million.

● **Station 52 schematic design**

Weinstein AU began the schematic design phase for Station 52 last month. At COW 10 September, Council concurred with Public Safety's 4 September recommendations to (1) carry the administrative tenant improvements as an alternate, and (2) select the Fire Department's preferred drive-through plan. Drive-through Station 52's revised budget will now be \$19.26 million, up from \$18.6 million for the back-in plan.

● **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**
The project team's Station 51 design development estimate has begun to inform Station 52's pre-schematic design budget, specifically adjusted to the City Hall site. At this point, the overage has grown for both stations. New Station 54's deletion will lose some economy of scale on design, construction, and dependent costs for Stations 51 and 52. Including Station 54's substantially reduced scope, the stations' overall revised budget is \$34 million.
- **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 City now owns four of nine Justice Center properties. 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 September. Due to the lack of access to 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 and 8 October in COW. 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. Impacted by the now-ended operating engineers' strike, demolition is underway.

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 were held 13 August. The recommended firm, SHKS Architects, is likely scheduled to be presented for consideration by Public Safety 1 October, COW 8 October, and Council 15 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.

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 recommended by Public Safety 16 July and COW 23 July and approved by 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.