

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: City Hall Project Update
DEPARTMENT: City Manager's Office
PRESENTED BY: Robert L. Olander, Deputy City Manager

PROBLEM/ISSUE STATEMENT:

One of the primary goals in the City Council 2002-2003 workplan is to "Implement a City Hall Plan". The next major step in this process is to hire a project management firm. On August 19th staff will introduce key staff from Olympic Associates, discuss the overall project schedule, and review the proposed scope of work.

The big picture problem we are solving here was well defined shortly after incorporation by the first City Council. The City has little control over the costs of leasing and maintaining office space for City Hall. In addition, the City's customer service locations have become de-centralized between two buildings, which creates a barrier to providing quality customer service. Furthermore, the City's image lacks a sense of community while it occupies leased office space in two adjacent buildings.

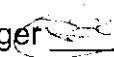
FINANCIAL IMPACT:

The City Hall project has been budgeted in the 2003-2008 Capital Improvement Program, based on preliminary work completed to date. This budget and schedule is subject to change, as the more we move forward on this project the greater the certainty we have regarding costs and schedules.

RECOMMENDATION

No action is required. However, staff is seeking Council input on the scope of work for the project management firm and the proposed project schedule.

Future action items will follow including: Authorizing the City Manager to enter into a contract with Olympic Associates, a workshop session comparing and contrasting project delivery methods, and executive session(s) regarding real estate matters.

Approved By: City Manager  City Attorney _____

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INTRODUCTION

As shared with the Council last April, staff is moving forward with the process outlined for City Hall. Staff wanted to discuss with Council progress and refinements on this process and introduce the scope of work and firm we are proposing to use as a project management firm for this project.

BACKGROUND

On April 1st, Staff shared a project plan with your Council for the City Hall project. This plan included a number of decisions regarding the project. These included, verifying affordability, selecting a project management consultant, revising the 2000 space needs analysis for City Hall, and developing a site selection criteria.

To date, we have completed the affordability analysis, as part of the Capital Improvement Program discussion in July. Staff has also completed a Request for Qualifications process for selecting a project management firm, and will bring a formal selection for Council consideration next week. As part of the scope of work for the project management firm, we have included the revisions to the 2000 space needs analysis as a task. The City Attorney is also in negotiations with our current landlords to extend our existing leases.

Other items remaining include a decision on a project delivery method and criteria for selecting a site (or sites) for consideration.

DISCUSSION

Staff prepared a Request for Qualifications for firms interested in providing project management services for the City Hall project. Thirty-four firms expressed interest in this project, with 17 firms submitting a proposal. A staff team reviewed each of the 17 proposals, looking for demonstrated experience in managing City Hall projects. Four firms had this experience, and were chosen for follow-up interviews.

Staff conducted interviews of these firms and asked Olympic Associates to submit a detailed scope of work for this project. Olympic was selected based on their experience in a number of similar projects with excellent results in our area. These projects included Edmonds City Hall, the Shoreline Fire Department Training Center, the Lake Forest Park City Hall and the Northshore Senior Center. Seattle-based Olympica has been in the project management business since 1955.

Two Phases

Olympic's scope of work has been broken down into two phases. The first phase, will cover site selection, programming and project delivery systems. Depending upon the delivery system selected, Olympic will conclude this phase by developing a request for qualifications for a design architect (for traditional design, bid, build) or a request for proposals (for a lease to own). This first phase will be completed by December 2002 and will cost \$49,352. A detailed breakdown of the tasks, estimated time and overall schedule is provided as attachment A.

The second phase is contingent upon the delivery method selected, but would generally include firm selection (either an architect or a development partner), design and pre-construction oversight, bidding/contract oversight, construction oversight, project close out and post construction. Depending on the delivery method selected final occupancy is anticipated as December 2004 / January 2005, assuming an average difficulty in permitting, site acquisition and development. Cost is expected to total nearly \$430,250 assuming average difficulty. A detailed breakdown of the tasks, estimated time and overall schedule is provided as attachment A.

Phase One: Decision Packages for Siting Criteria, Delivery Method and Programming

Site Selection

This subtask will take the siting criteria staff is developing, and apply it to various sites for consideration. In order to complete a fair and impartial analysis of potential City Hall sites, the project plan calls for developing criteria that will be used to evaluate each potential site. The criteria would be objectively applied to determine the best possible sites by score. The weighting could be equally applied or weighted to factor in the comparative value of each criteria element.

Staff suggests we develop the siting criteria in two phases. The first phase is to determine the distinguishing characteristics and measures to be employed. The second phase is to determine the relative weighting for each. Because the relative weighting of each site could very well provide significant information advantage for any potential seller or third-party wishing to capitalize on this decision, any discussion of weighting (or discussion about the importance of one criteria compared to another) should be completed in executive session.

Programming

Olympic has engaged Beckwith Consulting Group as a subconsultant to work with staff and revise the 2000 space needs analysis completed by Bassetti Architects. Beckwith is a small firm that specializes in pre-design work, based in Medina. Beckwith has worked with many similar projects, and is often hired by larger architecture firms for space needs planning. This product of this task will be to refine the existing study to meet updated assumptions about the City organization, growth and elements to be housed in this facility. This work will involve interviewing department heads, conducting a workshop to determine the positions of each department relative to each other and key building features. Cost estimates and financing will also be included in this review. This study will be reviewed by Council and will be employed as the key tool for future architects to use when developing schematic drawings and building design.

Delivery Method

Olympic will develop a report and work with staff to make a presentation on the project delivery method alternatives available. This material will evaluate the quantitative and qualitative differences between the various methods. Quantitative measures will examine cost, schedule and related factors. Qualitative measures will look at more subjective factors, such as design suitability, material and work product quality. We will put heavy emphasis on the tradeoffs that are made with selecting various options.

Architect RFQ /Development Partner RFP Development

Based on the delivery method selected by Council, Olympic will develop a request for qualifications (RFQ) for an architect to design the new City Hall. If a lease-to-own scenario is selected, Olympic will assist with developing a request for proposal (RFP) for a development partner.

Phase One Products

It is anticipated that staff and the City Council will have all the information necessary to proceed (or choose not to proceed) into the acquisition, design and construction phases of this project. The products we expect to have include:

- Building space and layout requirements
- Updated cost estimates
- Delivery method selection
- Preferred site(s) selection
- Financing alternative selected

Phase Two : Design Development, Construction and Closeout (assumes traditional delivery)

Architect / Engineer Selection

Olympic will assist staff by reviewing submittals from interested firms, and participating in firm selection interviews. They will also assist with negotiating a scope of work, fees and contract with the architect. We anticipate taking a contract to Council in February.

Pre-Construction Design

This task will establish a master schedule, and assist staff in developing plan to obtain specialized site development work (traffic studies, surveying, geology / soils testing, hazardous materials survey, etc.). A large part of this task will be devoted to working with the design team and City staff to developing a schematic design and design drawings that remain within the City's budget. Olympic will review the construction drawings before bidding, to evaluate materials and methods to promote a lower life-cycle cost, reduce construction costs or both. Olympic will also facilitate the permitting process, including land-use approvals,

building permits and State Environmental Policy Act (SEPA) review. All invoices for services will be reviewed by Olympic prior to processing by the City Constructability Review Option

One of the ways a project manager can add value into this project is to conduct a constructability review. This optional subtask will examine the design specifications one final time to see if there are any materials or design details that may be too costly or fail to add value to the project. Such a review will seek to find alternatives to accomplish the same purpose, with the same or higher quality, but at a more reasonable cost. In many cases, such reviews result in savings that exceed the cost of conducting the review, creating cost or schedule savings. We have budgeted \$25,000 for this subtask, however it is optional and could always be removed if necessary. Staff suggests we keep our options open and plan to complete a constructability review.

Bidding and Contract Awarding

We anticipate taking the project to bid in December 2003 or January 2004, taking advantage of excellent timing to find low bids. During this task, Olympic will review the architect's bidding plan. They will also work with the architect to review any proposed clarifications and substitutions. They will also facilitate on-site pre-bid conferences, and attend the bid opening. Olympic will review the bids received and work with staff to prepare a recommendation to award for Council consideration. In consultation with the City, Olympic will assist with providing notice to the contractor to proceed with the project.

Construction Phase

Olympic will serve as the City's eyes and ears on the project. This includes attending weekly meetings, establishing a process to review requests for information by the contractor, track change orders, inspection reports, document project meetings with minutes, ensure contract compliance, and monitor safety and quality. Olympic will periodically have a project inspector on-site to review the quality and progress of the work. Information will be updated daily to City staff, with monthly reports to the Council. Olympic will also monitor costs and schedules. All change orders will be reviewed by Olympic, negotiated with staff approval and tracked with the available budget. As needed, Olympic will resolve any disputes between the contractor and architect. Depending on the cooperation with the contractor, this phase could require more work by the project management consultant.

This is the largest single part of this project, involving nearly 1,000 hours of consultant time, over a twelve-month construction window.

Project Closeout

Olympic will work with the architect to prepare a single detailed final inspection "punch list" to ensure compliance with the drawings and specifications. Project retainage will be tracked with the City's finance department. Olympic will work

with the contractor and architect to document all warranties, maintenance plans, operating instructions and other information vital to building operation and maintenance. Final notices of completion and occupancy will also be facilitated.

Post Construction

Olympic will coordinate with the architect and contractor to train the City's facilities staff on operation and maintenance of the new building, and creating a manual for future reference. Prior to warranty elapse, Olympic will work with facilities staff to review major systems operation and condition. Where necessary, the Olympic will facilitate warranty service or replacement.

Cost

Both phases are anticipated to cost \$479,591. While this may seem expensive, it needs to be placed into perspective by looking at the total project cost. The 2003-8 Capital Improvement Program has budgeted \$15.5 million for the entire project. This cost, while subject to change as we learn more, includes project management, site acquisition, design, and construction. Both phases of this scope are 3.1% of the entire project budget. However, the value it adds is enormous. This is a highly specialized skill that would be too costly and probably unable to duplicate using in house staff. This is why staff is recommending using an outside project management firm to assist us with this endeavor.

Final Considerations

It is important to note that there is a great deal of this project that remains unknown, making both cost and schedule difficult to predict. As we proceed on this project, we will continue to refine the cost and schedule, based on the latest information we have. The information presented is based on the information we have collected to date.

RECOMMENDATION

No action is required. Staff is seeking Council's consensus support for process refinements and the scope of work for the project management firm. Future action items will follow including: Authorizing the City Manager to enter into a contract with Olympic Associates, a workshop session comparing and contrasting project delivery methods, and executive session(s) regarding real estate matters.

Attachment A:
Project Cost Breakdown and Schedule

**Fee Proposal
City of Shoreline City Hall
(8/01/02)**

Attached is our proposed fee breakdown for the new City Hall project. This fee for hourly services is based on the following assumptions.

- NTP No later than (8/30/01)
- Labor fees exclude reimbursables which will be invoiced at cost plus 15% overhead and handling. An estimate of reimbursables is attached
- Site office trailer to be provided by the City or contractor during construction
- Fee includes a review of the AE team estimate and overall project budget early on and again at completion of SD's, DD's and 90% CD's
- Site purchase cost analysis and real estate brokerage work by others
- Assumes a traditional, single, design - bid - build process
- Additional services with final cost to be determined as the design is completed

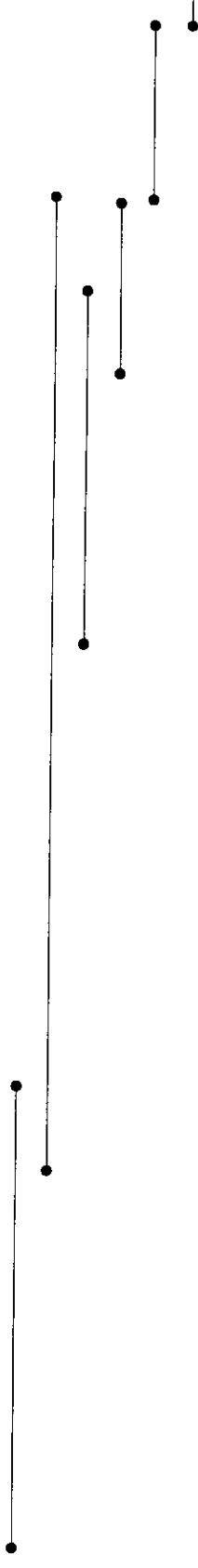
- Formal Constructability Review - Allowance \$ 25,000

TOTAL FEES

	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
Labor	\$48,352	\$383,884	\$432,236
Reimbursables	\$ 1,000	\$ 21,355	\$ 22,355
Constructability Review (allowance)	\$-	\$ 25,000	\$ 25,000
TOTAL	\$49,352	\$430,239	\$479,591

EXHIBIT B
CITY OF SHORELINE
NEW CITY HALL
DESIGN & CONSTRUCTION LABOR FEE PROPOSAL
(7/30/02)

2002		2003												
Q	P	M	A	M	J	J	A	S	O	N	D	Rate	Rate	
1,000	40	\$ 4,000	20	\$ 2,000	20	\$ 2,000	20	\$ 2,000	20	\$ 2,000	20	\$ 2,000	20	\$ 2,000
0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
3,864	28	\$ 3,864	14	\$ 1,932	14	\$ 1,932	14	\$ 1,932	14	\$ 1,932	14	\$ 1,932	14	\$ 1,932
384	8	\$ 384	8	\$ 384	8	\$ 384	8	\$ 384	8	\$ 384	8	\$ 384	8	\$ 384
13,200	30	\$ 10,800	17	\$ 2,040	17	\$ 2,040	17	\$ 2,040	17	\$ 2,040	17	\$ 2,040	17	\$ 2,040
411		\$ 48,352												



2004												2005												TOTAL HOURS PHASE I & II	TOTAL PHASE I & II
M	A	M	J	J	A	S	O	N	D	Hr/Rate	J	TOTAL HOURS PHASE II	PHASE II TOTAL	TOTAL HOURS PHASE I & II	TOTAL PHASE I & II										
B4	\$10,248	B4	\$10,248	B4	\$10,248	B4	\$10,248	124	\$15,128	168	\$20,496	\$ 128	B4	\$10,752	2224	\$ 267,292	2324	\$ 278,792							
0	\$ -	16	\$ 1,888	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	0	\$ -	72	\$ 8,208	72	\$ 8,208							
6	\$ 600	0	\$ -	6	\$ 600	0	\$ -	6	\$ 600	0	\$ -	\$ 105	6	\$ 630	156	\$ 14,990	156	\$ 14,990							
4	\$ 464	4	\$ 464	4	\$ 464	4	\$ 464	4	\$ 464	4	\$ 464	\$ 122	16	\$ 1,952	188	\$ 21,424	188	\$ 21,424							
4	\$ 600	4	\$ 600	4	\$ 600	4	\$ 600	4	\$ 600	4	\$ 600	\$ 158	4	\$ 632	330	\$ 47,756	400	\$ 57,416							
16	\$ 832	16	\$ 832	16	\$ 832	16	\$ 832	16	\$ 832	16	\$ 832	\$ 54	33	\$ 1,762	321	\$ 16,534	345	\$ 17,686							
0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	\$ -	0	\$ -	63	\$ 7,680	280	\$ 33,720							
												3354	\$ 383,884	3765	\$ 432,236										

