



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.kirklandwa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
Chris Dodd, Facilities Services Manager

Date: May 25, 2016

Subject: CITY HALL RENOVATION PROJECT – UPDATE AND DISCUSSION

RECOMMENDATION:

City Council receives an update on the City Hall renovation project and considers options for use of a portion of the contingency and/or future enhancement funds.

PROJECT UPDATE

The first meeting of the City Council in the renovated Council Chamber took place on May 17 and was a successful soft launch of the new space. While work continues in that space, staff anticipates that the Chamber will be available for future Council meetings. Step 2 of the project is nearing completion with the relocation of the Building Department and the Fire Administrative functions to their renovated space in the northeast corner of the upper floor. A few punch-list items remain, however, staff is settling into their new location.

The main entry, lobby and customer service counters will be opened to the public on Monday, June 13th with a few items left to be completed. The large sliding doors to the Council Chamber and vestibule glazing are a couple of items that will be completed after June 13th.

The project has moved into Step 3, the renovation of the northwest corner of the upper floor. Seismic upgrades, updated staff restrooms, refreshing the Houghton Room, constructing a new Intermediate Distribution Frame (IDF) and creating additional office space are a few highlights for this step.

BUDGET

As of the date of this memo, \$372,027 of the \$1.59 million dollar project contingency including sales tax, has been spent, mostly due to unknown conditions (many associated with inaccurate as-built drawings from the 1994 renovation) and owner initiated changes, the largest of which is installing a new security system, as shown in the table below.

At this stage of the project and nature of this type of construction, it would be prudent and within industry standards to reduce the overall contingency from \$1.59 million dollars to \$1.29 million dollars which is approximately 17% of the awarded general contract amount of

\$7,372,687. After this reduction and taking into account uses to date, \$920,703 would remain in the contingency, which is 12.4% of the general contract amount, as shown in the table below.

The contingency reduction would result in \$300,000 in funding potentially available for additional changes, as discussed below. In addition \$807,299 for future enhancements is included in the budget. \$35,000 of this has been used for an additional door at the back of the Council Chamber. The remaining balance for future enhancements is \$772,299.

Project Estimate	Amount
Phase 2 Construction Cost (incl. Add Alts)	\$ 7,372,687
<i>Change Orders 1-3 (incl. Security System)</i>	\$ 372,027
<i>Chamber Back Door from Set-aside</i>	\$ 35,000
Phase 1 Re-roofing Construction/Prof. Svc.	\$ 421,000
Architect Feasibility Contracts	\$ 230,000
Architect Design Contract	\$ 759,000
Architect Seismic Design/Engineering	\$ 77,539
Add'l Design/Engineering Services	\$ 49,770
Project Management Consultant	\$ 175,000
Permit Fees (estimate)	\$ 150,000
One Percent for the Arts (incl. sales tax)	\$ 114,975
Remaining Contingency (incl. sales tax)	\$ 920,703
<i>Contingency available for add'l changes</i>	\$ 300,000
<i>Remaining Set-aside for Future Enhancements</i>	\$ 772,299
Total Estimate	\$ 11,750,000

These two elements combine for up to \$1 million in funds available that could fund potential additional changes to City Hall, be placed in reserves, or be put toward other facilities projects.

POTENTIAL ADDITIONAL CHANGES

The project Steering Team has been compiling a potential list of additional owner-initiated changes suggested by the City Council and staff of what these funds might be used for. The following is a list of ideas that have been submitted:

- Upgrading the men’s and women’s locker rooms. The general contract only has the staff locker rooms getting some new flooring and paint. To replace the tile in the restrooms and showers and change out the partitions and counter tops to match the new renovated public restrooms would cost \$98,000. Since the locker rooms support employee fitness efforts, this could be funded with funds set aside in the Medical Self-Insurance Fund in prior years for wellness activities. These funds were generated by part of the self-insurance premium in past years, although no further contributions will be made due to the restructuring of the program in 2015. The wellness account currently has a balance of \$160,000, which would be available to fund this upgrade, *without using any of the project contingency or future enhancement funds.*

- Additional solar panels. To double the project funded system would cost approximately \$160,000. At the moment, the designed system is to handle up to 75KW. At this time, anything above 75KW would be considered a generating station, resulting in lower incentives and credits, and additional regulation and administration. Staff and the architect are unaware of any changes in this limitation since the original installation was designed.
- Building solar monitoring system. Adding a display that depicts the building solar system use. This would be adding a monitor, computer and software. This would cost approximately \$11,000 plus yearly maintenance.
- Additional vehicle charging stations. Fleet Manager Tim Llewellyn estimates that installing quick charging stations (15 minutes) would cost approximately \$60,000 each and/or installing additional standard charging stations (2 hours) would cost approximately \$13,000 each. The quick charging stations do create the potential to serve significantly more cars per hour during the day, depending upon the efficiency of use at each station.
- Enhanced landscaping. Currently, there are no plans for replacing, adding or refreshing the City Hall landscaping. The cost for refreshing the landscaping is approximately \$75,000. Complete replacement would cost approximately \$250,000.
- New conference room furnishings. When the City Hall Renovation is completed, there will be a total of 12 conference rooms with 6 of them being new. Currently, it is anticipated that existing furniture would be placed in these rooms (except for the Peter Kirk Room, which will have new furnishings similar to those in the Council Chamber). New furnishings would cost approximately \$10,000 each for small conference rooms and \$15,000 each for larger conference rooms. To outfit them all would cost approximately \$120,000. This is based off using the same furnishings purchased for the renovated Council Chamber and new Peter Kirk Room.
- Window coverings. No new window coverings are anticipated to be installed in the renovation although broken or ineffective coverings are replaced periodically. The currently window coverings are 23 years old and in some cases show their age. To replace the window coverings would cost approximately \$23,000.

Staff is seeking Council direction on whether some or all of these additions should be pursued, and whether there are additional investments that the Council might wish to consider. A decision about the potential locker room upgrades is the most time sensitive from a schedule and budget standpoint. If a decision is made to proceed with this change, it can be incorporated into the current schedule of work downstairs while the contractor is fully mobilized.