



CITY OF KIRKLAND
Fire & Building Department
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MEMORANDUM

To: Dave Ramsay, City Manager
From: Marilynne Beard, Assistant City Manager
David Snider, Capital Project Supervisor
Date: January 22, 2009
Subject: Kirkland City Hall Annex Budget Funding Recommendation

RECOMMENDATION:

It is recommended that Council authorize the transfer of unspent life-cycle funds to the City Hall Annex construction budget.

BACKGROUND DISCUSSION:

The Kirkland City Hall Annex (Annex) has been undergoing rehabilitation for the past 3-months and over that time a number of structural building deficiencies and other unknown conditions have been encountered. On November 25, 2008, staff presented a comprehensive Reading File memo outlining specifics on the various deficiencies encountered.

Briefly, the deficiencies and estimated additional costs identified within the November Reading File Memo included:

| No | Description | Amount |
|----|--|------------------------------|
| 1 | Rafter Tail Dry Rot | \$ 8,200 |
| 2 | Concrete Cheek Walls/Foundation | \$ 2,900 |
| 3 | General Non-Conforming and Other Structural Issues | \$ 74,000 |
| 4 | Lead Based Paint Handling and Disposal | \$ 50,000 - \$ 70,000 |
| | Sub-TOTAL | \$135,000 - \$155,000 |
| | TOTAL w/ wss Tax | \$147,000 - \$170,000 |

At the conclusion of our negotiations with the contractor for these additional costs, the final amount for Change Order #1 came to \$156,339.41, including sales tax.

At the time of contract award Council was advised that the overall project budget had a contingency of \$149,500 and, as per the City's contract change order policy, Change Order #1 was signed because it did not exceed the contract contingency by more than \$25,000. With the processing of Change Order #1, however, the current project budget no longer has a project contingency. To remedy this we set out to see if there was a source of unspent City Hall Annex life-cycle funds that might be available to apply to the current City Hall Annex Renovation Project.

It was determined that a number of Annex life-cycle projects for things like painting, flooring, roofing, hand railing, lighting and heating, ventilation and air conditioning systems had been put on hold or completed under budget and, as a result, funds are still available. As we are now in the process of replacing all of these same items with the renovation Project we recommend that Council authorize the transfer of unspent life-cycle funding in the amount of \$176,327, as per the attached fiscal note. With this transfer we will restore an appropriate project contingency in case of additional change orders, as well as having funds available for the purchase of necessary furniture and equipment for the renovated building.

cc Sandi Hines, Financial Planning Manager
Attachments: A – Fiscal Note
B – PRB

FISCAL NOTE

CITY OF KIRKLAND

| Source of Request | | | | | | | |
|---|---|-------------------------|-----------------------------|----------------------------------|------------------------|-----------------------------|----------------|
| Marilynne Beard, Assistant City Manager | | | | | | | |
| Description of Request | | | | | | | |
| Request transfer of unspent funding for City Hall Annex life cycle CIP projects to the City Hall Annex Renovation CIP. Life cycle projects for painting, flooring, roofing, lighting and heating, and ventilation and air conditioning at the Annex building have been budgeted over the past several years and were either completed under budget or not completed at all as they were put on hold pending the future use of the building. These projects are now being completed as part of the larger renovation project and it is recommended that all unspent life cycle funding related to the life cycle Annex projects be transferred to the larger Annex renovation CIP project. This will help reestablish the project contingency that was used to fund a change order for unanticipated structural building deficiencies. The total unspent available funds is \$176,327. | | | | | | | |
| Legality/City Policy Basis | | | | | | | |
| | | | | | | | |
| Fiscal Impact | | | | | | | |
| One-time transfer of \$176,327 of unspent Life Cycle funding for the Annex building. | | | | | | | |
| Recommended Funding Source(s) | | | | | | | |
| | Description | 2010 Est End Balance | Prior Auth. 2009-10 Uses | Prior Auth. 2009-10 Additions | Amount This Request | Revised 2010 End Balance | 2010 Target |
| Reserve | | 0 | 0 | 0 | 0 | 0 | N/A |
| | | | | | | | |
| | | | | | | | |
| Revenue/Exp Savings | | | | | | | |
| Other Source | | | | | | | |
| Other Information | | | | | | | |
| | | | | | | | |
| Prepared By | Sandi Hines, Financial Planning Manager | | | | Date | January 22, 2009 | |

PROJECT BUDGET REPORT

KIRKLAND CITY HALL RENOVATION PROJECT

