

TO: CITY COUNCIL **DATE:** January 26, 2004
FROM: CITY HALL RESTORATION OVERSIGHT COMMITTEE
THROUGH: FINANCE COMMITTEE
SUBJECT: CITY HALL SEISMIC RETROFIT PROJECT UPDATE

RECOMMENDATION:

Receive and file.

CITY HALL RESTORATION OVERSIGHT COMMITTEE WORK:

The following informational report represents the City Hall Seismic Retrofit Project update to the City Council for the period October 1, 2003, through December 31, 2003. The Committee has been pleased with the overall project direction and work efforts of staff and the entire project team. The project is on schedule to commence staff relocation and construction efforts in June, 2004. The Committee is pleased to see that the variation between the last two cost estimates has decreased dramatically. During this quarter, the Committee has assisted staff in reducing the project budget overage from \$4.8 million to \$2.6 million. The balance of the budget overage will be addressed once the specific details of construction are more fully developed. The 50% Construction Document submittal (expected in March, 2004) will allow for such a definitive cost estimate. The Committee does, however, wish to convey that the majority of nonessential project scope items have been eliminated. The Committee conducted the following activities during this reporting period:

A. Design:

1. Reviewed the summary set of the 50% Design Development submittal.

B. Project Budget:

1. Reviewed and compared the current project budget of \$93,273,000 with the 50% Design Development cost estimate of \$98,030,000. The total project budget overage equates to approximately \$4,757,000. Of that amount, \$1,819,000 is from the prior budget overage (100% Schematic Design) plus an increase of \$2,938,000 for the 50% Design Development submittal. As outlined by staff, the major cost increases (decreases) were as follows:

01/26/2004
5.B.1.

<u>Item</u>	<u>Description</u>	<u>Amount</u>
	Prior Budget Overage (100% Schematic Design)	<u>\$1,819,000</u>
	Budget Overage (50% Design Development)	
1)	Remove and replace moisture barrier below "fish scale" tiles @ main dome	336,000
2)	Upgrade technology in Council Chambers	388,000
3)	Structural increases @ Garfield entry arch	180,000
4)	Increased level of interior ceiling finishes in non-historic areas (SHPO requirement)	250,000
5)	Upgrade technology (security cameras and event power) in exterior areas	225,000
6)	Decrease in Consultant Fees	(327,000)
7)	Increase internal staff project management	699,000
8)	Increase interim lease space for Department of Housing and City Attorneys	<u>1,187,000</u>
	Subtotal Budget Overage (50% Design Development)	2,938,000
	Total Budget Overage (50% Design Development)	<u>\$4,757,000</u>

2. Participated in reviews and discussions with staff, architect, construction manager, and the cost estimator to review the assumptions and methodologies used in compiling the cost estimate(s).
3. Requested staff to develop and prioritize a list of potential scope reduction and/or cost savings topics. The Committee supports staff in recommending that the City Council approve the budget and scope-of-work adjustments in the amount of \$2,168,000, which decreases the cost estimate to \$95,862,000 and results in reducing the budget overage from \$4,757,000 to \$2,589,000. The revised cost estimate includes \$7.9 million of project contingency. The list of scope-of-work adjustments were as follows:

<u>Item</u>	<u>Description</u>	<u>Amount</u>
1)	Contingency transfer in interim relocation (lease finalization)	(\$650,000)
2)	Discount for upfront (3 year) interim lease payment (Chamber building)	(150,000)
3)	Public arts fee re-allocation (1% of new construction, excluding historic restoration)	(100,000)

<u>Item</u>	<u>Description</u> (continued)	<u>Amount</u>
4)	Delete replacement of dome moisture membrane @ fish scale tiles	(287,000)
5)	Reduce finish allowance in break rooms	(57,000)
6)	Delete cast stone urns in courtyard (potential fundraising item)	(48,000)
7)	Delete reflecting ponds in courtyard	(36,000)
8)	Eliminate site accessories allowance	(40,000)
9)	Internal reallocation of offsite lease space (Departments of Housing & Transportation)	(700,000)
10)	Delay installation of exterior security cameras (raceway rough-in only)	(50,000)
11)	Delay installation of exterior architectural lighting (partial lighting/full raceway rough-in)	(50,000)
	Total Recommended Cost Adjustments	<u>(\$2,168,000)</u>

C. Project Schedule

1. Reviewed and commented on the project schedule which supports that the overall project is on schedule with staff relocation and construction efforts commencing in June, 2004, and concluding in June, 2007. As previously reported during the October Quarterly Update to City Council, the construction documents will be prepared in two bidding packages. Package #1 Construction Documents are to address work associated with building, site and tree protection, hazardous materials abatement, and soft demolition. The bid and award duration for Package #1 will extend through May, 2004. The balance of the work, Package #2, represents approximately 95% of total construction costs. The bid and award duration of Package #2 will extend through September, 2004.

D. Project Tracking

1. Participated in project control and reporting discussions to insure that reporting systems are in place to track project costs.

E. Environmental Impact Report (EIR)

1. Approved a motion on October 8, 2003, recommending certification by the City Council of the FEIR with Findings of Fact and a Statement of Overriding Considerations.

F. Historic Design Review:

1. Participated in reviews and site tours which concentrated on the restoration methodologies planned for "historic" interior and exterior areas of the project.
2. Planned for the selection of the Historical Preservation Consultant who will be performing work as required by FEMA and the State Historical Preservation Office.

G. Fundraising:

1. In light of the above budgetary scope reductions, the Committee recommends exploring community fundraising activities to develop alternate funding sources for the items removed from scope.

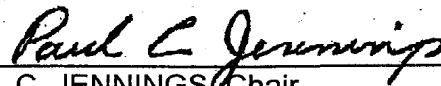
NEXT STEPS:

On March 10, 2004, the Committee will participate in the budgetary review of the 50% Construction Document submittal package.

FISCAL IMPACT:

The Committee is not recommending any budget increases at this time. While the budget overage remains at \$2,589,000, it is important to note that the revised cost estimate does include \$7.9 million in project contingency. The Committee is reluctant to reduce the project contingency at this time. In April, 2004, the Committee will participate in the budgetary review of the 50% Construction Document submittal package. While the actual costs associated with the project will not be known until actual bids are submitted to the City for consideration, the Committee will have a much better feel for the magnitude of any budget overage once the final cost estimate is completed in April, 2004. The Committee still remains hopeful that the final project cost estimate prepared during the construction document phase will be within the budgetary parameters as established by City Council.

Respectfully submitted,



PAUL C. JENNINGS, Chair
City Hall Restoration Oversight Committee