



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD  
GENERAL MANAGER'S DIVISION

*Rely on us.*

TO: Commissioners Brown, Cunningham, Cassidy, Ernst, Farmer  
FROM: Ken Beeson  
DATE: March 9, 2010  
SUBJECT: Roosevelt Building Project – Status Report

---

## *Issue Statement.*

This memo provides a status report on the Roosevelt Operations Center Project. The current project cost summary is attached.

## *Overall Construction Status.*

General. Project construction is proceeding on schedule and consistent with the schematic design and budget of \$83.5 million approved by the Board in February 2008. Completion of construction is expected by November 2010 and within the project budget.

Project construction is being completed for EWEB by Lease Crutcher Lewis (EWEB Construction Manager General Contractor CMGC). All construction bids have been awarded. An additional package for site and building signage will be awarded in March 2010.

Site. Site preparation, rock work and initial paving of access drives and employee parking has been completed. Roosevelt intersection improvements and traffic signal, and paving of the equipment yard are scheduled for summer 2010. Wetlands grading and initial planting work was done in 2008. Additional planting will be done in early 2010. Monitoring and maintenance in compliance with US Army Corps and Oregon Department of State Lands permits will continue until 2014.

Foundations and Structures. All foundations, slabs, concrete tilt walls, structural steel (roof and canopy structures, interior bracing, floor deck) and related work required for the Operations & Engineering building, Warehouse, Fleet building, and various yard structures is complete.

Interiors and Finishes. Interior and exterior building construction and finishes, including electrical, mechanical, plumbing, equipment, wood finishes, etc is underway in all three buildings as well as the site structures.

Furniture and Equipment. The RFP process for office furniture is underway. Equipment for the data center and related information systems has been ordered.

*Contract Approvals and Revisions.* There are two Roosevelt contracts scheduled for Board review and approval in the next two months. The first, scheduled for March 16, is a contract with Environmental Consultants to perform monitoring work required by our US Army Corps wetlands permit for the Roosevelt wetlands. The second, planned for April 6, will be a contract with a furniture dealer for purchase and installation of the project office furniture. Additional detail on these contracts is provided below.

***Discussion.***

Following is a more detailed review of certain issues and/or areas of interest related to the project:

*Furniture.* We are completing an RFP process for new office furniture which includes work stations and related equipment and furniture for offices, conference rooms, break areas, etc. We will request Board authorization on April 6 to execute a contract (approximately \$1.7 million) for purchase and installation of the furniture. More detailed background will be provided to the Board before April 6.

*Wetlands Completion and Monitoring.* A requirement of the US Army Corps wetlands permit is that once the initial restoration and planting work is complete, EWEB will monitor the site for a five year period (2010 – 2014). The March 16 Board consent calendar includes a request for Board authorization of a contract with Environmental Consultants to complete this work. Environmental Consultants (EC) has been working on this project since 2005 under the PIVOT agreement. EC prepared the EWEB wetland permits (Corps and Oregon Department of State Lands) and has been working with the CMGC and EWEB to establish the wetlands since restoration work was started in 2008. The monitoring work includes completion and submission of annual reports in accordance with Corps requirements and specifications. The work will cost approximately \$150,000 (\$30,000 per year) and is included in the final cost projection for the project (see “Project Cost Status and Summary” below). There are no agency monitoring or reporting requirements after this 5-year period assuming EWEB meets the success criteria in the agency permits.

There will also be a contract with a landscape company for related site maintenance and support work (estimated to be approximately \$200,000) coming to the Board for authorization later in 2010. That estimated contract amount is also included in the final cost projection for the project.

*Data Center.* An important part of the Roosevelt project is installation of the data center and various ancillary equipment, and also the fiber interconnection between Roosevelt and the downtown HQ data center. Facilities and equipment being installed under the construction contract includes the data center and the IDF (independent data frame) rooms, the supporting electrical and mechanical service infrastructure (primary and backup), and the related security systems. Costs for these facilities and equipment are included in the construction costs shown on Attachment A.

EWEB is responsible for design and installation of the fiber communications tie between HQ and ROC; the required switches, router and servers at Roosevelt and HQ; and the required configuration, programming, wiring and connection of all electronic data equipment to ensure that Roosevelt employees are able to access and use all the information systems they presently use at the HQ site. The current estimate for this EWEB work is \$2.5 million, an amount allocated for under the “Utilities” portion of the Owner’s budget (see Attachment A).

Staff has been working during the past year to ensure that the new facilities (including the data center, IDF rooms, backup dispatch and power trading space, and security systems) are constructed in compliance with the evolving NERC reliability and security standards.

The EWEB work on the data center has been specifically organized with a designated project Manager (Greg Armstead) and a steering committee that includes the General Manager and member of EMT.

Change Orders. We have currently processed two change orders (\$742,151) for changes related to site work and building structures. Change orders for the project are covered by the project contingency (\$4.634 million) included in the original \$83.5 million budget. Change order costs are for additional construction work that was not included in the design and specifications (i.e., not included in the construction bid packages). This additional work includes 1) unforeseen construction work that is required; 2) construction changes and modifications required due to phased construction (i.e., portions of the project designed and bid before other portions of the project designed); and 3) work that is requested by EWEB as construction proceeds (after bidding is complete and construction contracts are in place with sub contractors).

There are no changes that have been made that are not consistent with the original scope of work. The attached estimate of final completion costs for the project (column 4- "Estimated Completion Cost") assumes \$4.6 million in contingency will be spent.

Project Cost Status and Summary. Refer to Attachment A for a summary of the current project costs.

- Column 1 ("Approved Project Budget") shows the final project budget approved by the Board in February 2008.
- Column 2 shows the current Guaranteed Maximum Price (GMP) for the EWEB-Lewis construction contract. This amount (\$49,149,981) is only construction costs (not Owner costs) and includes all direct construction costs and construction overheads for Bid Packages A, B and C (described above). It also includes change orders for \$742,151.
- Column 3 shows the actual project costs (construction costs and owner costs) to date.
- Column 4 shows the estimated completion costs.

Additional notes related to project costs:

- "Estimated Completion Costs": Based on the results of Package A, B and C bids and based on the way the project work continues to progress, I estimate that final total costs for the project (construction and owner's costs) will be approximately \$72 million or about \$11.5 million under the project budget.
- "Owner's Costs". I am currently estimating that the final costs here will approximately \$1 million over the original budget.
  - "Equipment, Furniture". I am estimating final costs for furniture and equipment to be \$2.4 million which is \$200,000 less than the original budget.

- *“Utilities”*. I am currently estimating \$2.9 million for “Utilities” which is \$700,000 more than the budget estimate in 2007. This includes EWEB costs for installation of all utilities (including gas, water, electric, telephone, cable TV, and EWEB fiber) into the site. It also includes costs for some of the data center equipment (servers, routers, connections) and also some of the distributed communications systems wiring and connections (data, phone) within the various shop and office work spaces. I will continue to refine this estimate over the next few months as EWEB work on the data center installation progresses.
- *“Owner’s Services”*. Currently includes costs for project management and moving.
- *“Permits, Fees”*. I am estimating final permit costs to be \$1.95 million which is approximately \$70,000 less than the original budget. The wetland monitoring and maintenance work discussed above is included here. There will also be additional inspection and review charges from the city.
- *“Architects, Engineers”*. The final costs for the design work (schematic design, design development, construction documents, construction administration) are estimated to be approximately \$7.75 million which will exceed the Board authorization (\$7.2 million) by approximately 8%.
- *“Other services”*. I am estimating final costs for this work to be approximately \$750,000 which is approximately \$420,000 less than the original budget. This work includes costs for an independent commissioning agent (Systems West Engineers), an independent testing company (FEI Testing), and pre-construction services from LCL. This amount also includes \$150,000 for art.

***Recommendation / Requested Action.***

There is no requested action. Please call me if you have any particular questions about the project or if you want additional information.

We are conducting tours of the project site at 10 a.m. on the first and third Fridays of each month. There is no need to sign up in advance; come out (entrance off Roosevelt and follow signs to the project office) a few minutes before 10 and wear sturdy shoes that can get muddy.

Attachments

revised: March 8, 2010				<b>ATTACHMENT A</b>
Roosevelt Project Cost Summary	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Roosevelt Project Budget	Approved Project Budget (Feb 2008)	Current GMP Total (2.06.10)	Actual Cost to Date (3/1/10)	Estimated Completion Cost (3.06.10)
<b>DIRECT CONSTRUCTION COSTS</b>				
Site, Yard, Parking	\$ 14,955,000	\$ 12,587,250	\$ 5,497,972	\$ 12,780,000
Operations Building (109,374 sf)	\$ 20,521,000	\$ 20,286,075	\$ 8,745,000	\$ 20,550,000
Warehouse (38,097 sf w/canopies)	\$ 3,594,000	\$ 4,695,788	\$ 2,509,400	\$ 4,650,000
Fleet (22,440 sf)	\$ 4,658,000	\$ 4,531,403	\$ 2,220,000	\$ 4,520,000
<b>TOTAL - DIRECT CONSTRUCTION</b>	<b>\$ 43,728,000</b>	<b>\$ 42,100,516</b>	<b>\$ 18,972,372</b>	<b>\$ 42,500,000</b>
<b>CONSTRUCTION OVERHEADS AND ESCALATION</b>				
General Conditions	\$ 3,058,000	\$ 3,108,571	\$ 1,802,971	\$ 3,170,000
PL/PD, Performance Bond, BOLI Fee	\$ 1,172,000	\$ 1,024,053	\$ 736,512	\$ 1,040,000
Builders Risk	\$ 295,000	\$ -	\$ -	\$ -
Contractor Contingency (2.5%)	\$ 1,206,000	\$ 1,155,828	\$ 277,399	\$ 1,170,000
Contractor Fee (2.15%)	\$ 1,064,000	\$ 1,018,862	\$ 468,677	\$ 1,030,000
Estimating Contingency (12%)	\$ 5,871,000	\$ -	\$ -	\$ -
Escalation (Sept 06 - Dec 07) and (Jan 08 - Oct 09)	\$ 5,052,000	\$ -	\$ -	\$ -
<b>TOTAL - CONSTRUCTION OVERHEADS, ESCALATION</b>	<b>\$ 17,718,000</b>	<b>\$ 6,307,314</b>	<b>\$ 3,285,559</b>	<b>\$ 6,410,000</b>
Change Orders	\$ -	\$ 742,151	\$ 742,151	\$ 4,600,000
<b>TOTAL - CONSTRUCTION WITH OVERHEADS + CHANGE ORDERS</b>	<b>\$ 61,446,000</b>	<b>\$ 49,149,981</b>	<b>\$ 23,000,082</b>	<b>\$ 53,510,000</b>
<b>OWNER COSTS</b>				
1 Equipment, Furniture	\$ 2,600,000		\$ 31,840	\$ 2,400,000
2 Utilities	\$ 2,200,000		\$ 472,225	\$ 2,900,000
3 Owners Services	\$ 943,000		\$ 382,800	\$ 1,050,000
4 Permits, Fees	\$ 2,020,000		\$ 1,218,244	\$ 1,950,000
5 Architects, Engineers	\$ 6,850,000		\$ 6,401,992	\$ 7,750,000
6 Other Services	\$ 1,170,000		\$ 367,503	\$ 750,000
<b>TOTAL Owners Costs</b>	<b>\$ 15,783,000</b>		<b>\$ 8,874,604</b>	<b>\$ 16,800,000</b>
<b>TOTAL CONSTRUCTION AND OWNER COSTS</b>	<b>\$ 77,229,000</b>		<b>\$ 31,874,686</b>	<b>\$ 70,310,000</b>
Project Contingency (change orders)	\$ 4,634,000		\$ -	\$ -
EWEB Administrative Overhead (2%)	\$ 1,637,000		\$ 693,385	\$ 1,420,000
<b>ESTIMATED TOTAL PROJECT COST</b>	<b>\$ 83,500,000</b>		<b>\$ 32,568,071</b>	<b>\$ 71,730,000</b>