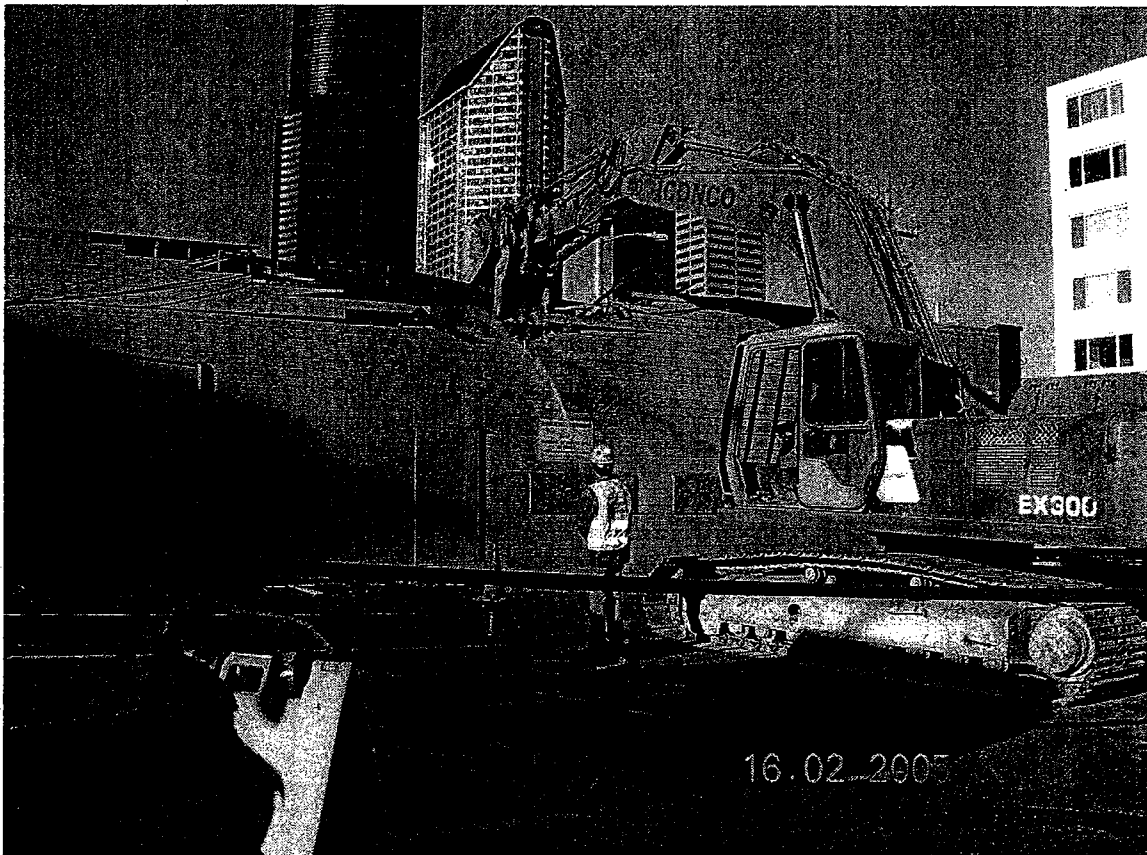


Harborview Medical Center Bond Project Monthly Report

February 2005

Seismic Upgrades and Facility Improvements



Demolition work begins at 9th and Jefferson Street



King County



"A Partnership... Building for the Future"

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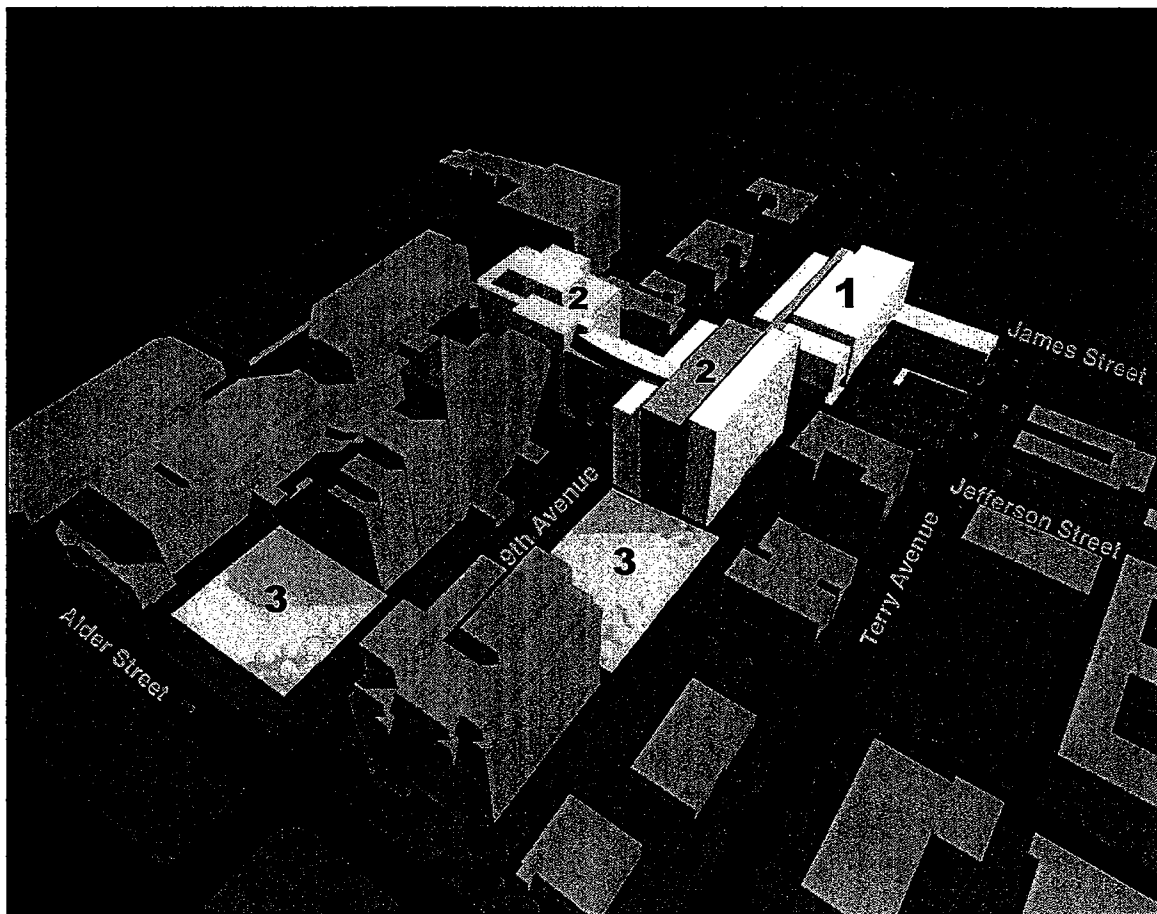
Harborview Medical Center Bond Project
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Background

Harborview Medical Center is a comprehensive health care facility owned by King County Government, governed by a County-appointed Board of Trustees and managed by the University of Washington. Its primary mission is to provide high quality health care to the residents of this region, in particular to the indigent and underserved residents of King County. Serving a four-state region, Harborview is home to the nationally renowned level-one trauma center and Medic One emergency response unit. In addition, Harborview leads the region with medical centers of emphasis in the areas of Neuroscience, Burn, AIDS/STD, Orthopedics and Trauma. The Medical Center combines state-of-the-art emergency services with general medicine and specialty clinics.

Harborview Bond Project Scope

The goal of the Harborview Bond project is to remedy significant seismic deficiencies on the campus and to address the need for expanded in-patient bed capacity. The adopted program plan outlines the work as follows to occur in three major phases. The prime contractor for the project is Turner Construction and the firm of NBBJ Architects leads the design team.



Project Description

Project 1: Ninth & Jefferson Building (NJB)

- New construction of a multi-purpose facility to house a center of emphasis in infectious disease control including HIV/AIDS and STD. In addition, specialized services such as the King County Medical Examiner (KCME), laboratories, the Involuntary Treatment Act (ITA) Courtroom, retail, building lobby, and four floors of underground parking are included in the NJB.

Project 2: Inpatient Expansion Building (IEB) & Seismic Upgrade

- Seismic improvements to the North Wing trauma center tower. These improvements will meet FEMA Immediate Occupancy after a code level seismic event which exceeds the current code of seismic design for hospitals. New construction of an inpatient wing, adjoined to the existing facility by a bridge building.

Project 3: Proposed Demolitions of Harborview Hall & East Clinic (South Wing)

- Demolition of the seismically unsound East Clinic, and potential demolition of Harborview Hall.

Project Budget

To fund the Harborview Bond program, King County authorized a special election and received voter approval for \$193 million. The voter-approved bond funds combined with interest earnings and contributions from Harborview bring the total project budget estimate to \$292 million.

<u>Project 1</u>	Ninth & Jefferson Building (NJB)	\$119,400,000
<u>Project 2</u>	Inpatient Expansion Building (IEB) & Seismic Upgrade	\$149,176,000
<u>Project 3</u>	Proposed Demolition of Harborview Hall & East Clinic (South Wing)	\$11,000,000
<u>Sub-Projects</u>	Pre-design/Appropriations to Date	\$8,398,576
	1% for Art and Administration	\$3,325,424
	Project Savings Reserve Account	<u>\$1,500,000</u>
	Total	\$292,800,000

Project Schedule

Project development activities are scheduled to extend through the year 2009.

Harborview Medical Center Bond Project
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February 2005 Progress Highlights

- The IEB continues on schedule for the Construction Document phase at over 85% complete.
- The NJB is on schedule for the CD phase at over 60% complete.
- The HH/EC demolition project is on schedule for the CD phase to begin in July 2005.
- UWCPO reached agreement with Turner Construction of the terms of the GCCM contract.
- Vanir's initial independent review of the GCCM agreement indicates that the terms are reasonable. Vanir will prepare a report for the Bond Oversight Committee next month.
- The UWCPO will present a revised master schedule that reflects the GCC agreement, the GCCM construction approach and related work.
- Demolition work on the 9th and Jefferson site is in full progress and will extend through next month.
- Concern over the impacts of construction noise on court proceedings has prompted staff to look for an alternate location for the ITA court during demolition and construction work.
- The Bond Funds Flow Committee is evaluating parking revenues to determine if there are sufficient revenues to support adding one more floor of parking to the NJB garage. A full analysis with recommendations will be presented to the Oversight Committee next month.
- NBBJ is proposing a bid approach for art works that will recognize key integration features without impacting the master work plans and schedule. A review meeting with 4-Culture is planned.

Projects

IEB: In-Patient Expansion Building and North Wing Seismic Upgrade Projects
HH/EC: Harborview Hall Demolition and East Clinic Demolition Projects
NJB: Ninth and Jefferson Building Project

Phases:

SD = Schematic Design
DD = Design Development
CD = Construction Documents

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Snapshot of Critical Issues

o GCCM Contract Settlement

The University of Washington Capital Projects Office (UWCPO) successfully concluded contract negotiations with Turner construction this month. The agreement sets forth terms, conditions and budget for General Contractor/ Construction Management (GCCM) services. As part of the agreement, Turner Construction will fully implement the NJB, the IEB and all of related components. The demolition projects are not included in the Turner contract. These projects, which are not scheduled for work until 2008/2009, will be bid later.

o Exceptional Escalation

The Harborview Bond Oversight Committee has worked closely with staff to develop a plan for addressing the much discussed issue of exceptional escalation. During the previous year, volatility in the international commodities market resulted in sharp increases in the price of construction materials. It is not known if this trend will continue throughout 2005. Better information on the impacts of exceptional escalation will be available as the project advertises a series of bid packages over the upcoming eighteen months. During that time the Oversight Committee will be tasked with reviewing and authorizing contract awards and the use of project funds consistent with a specific methodology.

o King County Council Briefing

The King County Council received an update on the bond project this month. The presentation provided information on the status of the budget, schedule and contract negotiations for construction services. In addition, a plan for managing exceptional escalation was reviewed. The council was informed of upcoming legislation needed to support contract finalization and the beginning of major construction work.

o Groundbreaking Ceremony – Cabrini Senior Housing

The Cabrini Sisters Senior Housing Project hosted a groundbreaking ceremony this month. It was well attended by the neighbors and the project's many funding contributors including Harborview and King County. Construction work is scheduled to extend through December 2005. Once complete the project will include 50 independent housing units and many amenities including a large, outdoor courtyard. As part of a housing mitigation plan, King County/Harborview contributed \$1.5 million to support this project.

o Citizens Advisory Committee Meeting

A Citizens Advisory Committee (CAC) meeting was held this month. Discussion topics included: (1) demolition of the buildings on the 9th and Jefferson site; (2) an update on the City approval process for tunnel construction and landmark designation; (3) the upcoming groundbreaking ceremony; and (4) plans for a website and other information tools.

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Summary Budget Report

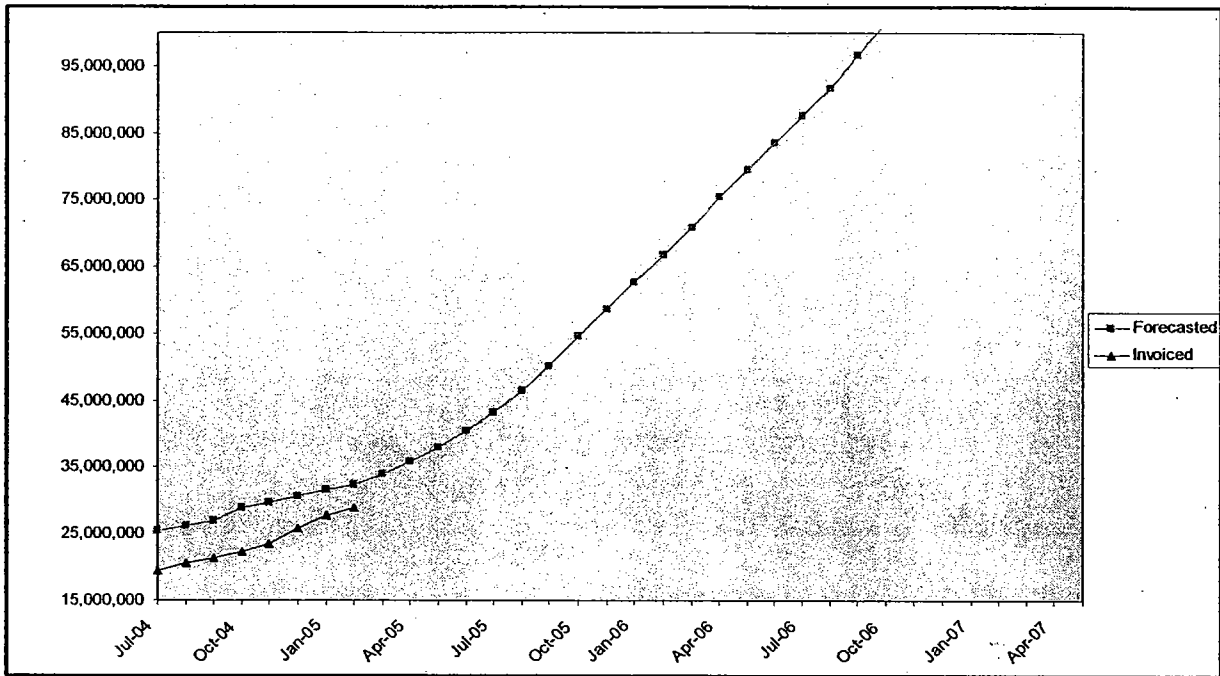
DESCRIPTION	APPROVED BUDGET	COMMITTED FUNDS	EXPENDITURES (Invoice Approved)	APPROVED BUDGET COMMITTED	FORECAST COST AT COMPLETION	VARIANCE (Forecast - Budget)
ACQUISITION PROJECT	2,340,000	2,340,000	2,340,000	100.00%	2,340,000	0
PREDESIGN PROJECT	5,124,000	5,014,819	5,014,819	97.87%	5,124,000	0
NJB PROJECT	119,400,000	11,179,640	8,583,096	9.36%	119,400,000	0
IEB PROJECT	148,776,000	12,776,762	9,810,599	8.59%	148,776,000	0
Vanir / Risk Management	400,000	230,857	153,400	57.71%	400,000	0
HH/EC DEMO PROJECT	11,000,000	976,066	926,348	8.87%	11,000,000	0
ART, KC, HMC ADMIN	4,500,000	1,992,638	1,992,638	44.28%	4,500,000	0
SAVINGS RESERVE	1,260,000			0.00%	1,260,000	0
TOTAL:	292,800,000	34,510,782	28,820,900	11.79%	292,800,000	0

Contingency Summary Status

DESCRIPTION	APPROVED BUDGET	COMMITTED FUNDS THIS MONTH	COMMITTED FUNDS TO DATE	FORECAST TO DATE	% OF FORECAST COMMITTED	REMAINING BALANCE
DESIGN SERVICES CONTINGENCY						
NJB Project	1,710,392	142,281	816,844	742,562	110%	893,548
IEB Project	2,470,312	223,471	1,451,941	1,315,396	110%	1,018,371
HH/EC Demo Project	257,753	-8,558	102,505	63,648	161%	155,248
SUBTOTAL:	4,438,457	357,193	2,371,289	2,121,607	112%	2,067,168
CONSTRUCTION CONTINGENCY						
NJB Project	7,581,431					7,581,431
IEB Project	8,346,077					8,346,077
HH/EC Demo Project	657,519					657,519
SUBTOTAL:	16,585,027	0	0	0		16,585,027
MACC CONTINGENCY						
NJB Project	1,386,863					1,386,863
IEB Project	1,930,000					1,930,000
HH/EC Demo Project	100,000					100,000
SUBTOTAL:	3,416,863	0	0	0		3,416,863
MANAGEMENT RESERVE						
NJB Project	4,014,842					4,014,842
IEB Project	3,927,545					3,927,545
HH/EC Demo Project	309,356					309,356
SUBTOTAL:	8,251,743	0	0	0		8,251,743
SAVINGS RESERVE	1,260,000	0	0	0		1,260,000
TOTAL:	33,952,090	357,193	2,371,289	2,121,607	112%	31,580,801

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Harborview Bond Project Comparison Cash Flow



Status: Currently the cash flow is tracking well below the forecast as a result of the late start of design development work on the NJB, as well as delayed procurement of insurance policies for construction.

- Forecasted Work in Place to February 23, 2005 \$ 32,467,466
- Invoiced Expenditures to February 23, 2005 \$ 28,820,892

Note: Forecasted work in place includes cash flow projections. Invoiced expenditures include all approved invoices.

Cash Status Report per King County Ledger as of January 31, 2005

- Net Bond Proceeds
 - 2001 Issuance \$ 28,742,155
 - 2004 Issuance \$ 110,118,250
 - 2004 Issuance \$ 54,120,975
- Interest Income Available to Project \$ 5,337,367
- Project Expenses To-Date (24,839,795)
- Bond Funds Unexpended \$ 173,478,952

	<u>Previous Month</u>	<u>Current Month</u>
• Average Interest Rate	3.32%	3.30%
• Current Month Interest Rate	2.30%	2.43%

Harborview Medical Center Bond Project
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Harborview Bond Program Schedule

Turner Construction		Harborview Medical Center Bond Project			Summary Schedule for MACC												Wed 3/9/05 1:47 PM							
ID	Task Name	Duration	Start	Finish	2005			2006			2007			2008										
					Dr	Sc	F	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	
1	MACC Negotiations	67 days	Tue 11/30/04	Mon 2/14/05																				
25	Permits (some not actual start dates)	191 days	Tue 11/30/04	Mon 8/22/05																				
33	General Project Procedures	46 days	Tue 1/15/05	Mon 5/16/05																				
37																								
39																								
40	Site Prep Design, Approval & Bid	128 days	Tue 11/30/04	Wed 6/1/05																				
51	NJB Structural Design, Approval & Bid	279 days	Tue 11/30/04	Tue 1/2/06																				
70	NJB General Design, Approval & Bid	308 days	Tue 11/30/04	Tue 2/22/06																				
87	IEB Structural Design, Approval & Bid	244 days	Tue 11/30/04	Tue 11/23/05																				
104	IEB General Design, Approval & Bid	339 days	Tue 11/30/04	Tue 3/16/06																				
130	Construction	668 days	Tue 11/30/04	Tue 9/16/06																				
131	Nets and Jefferson Construction	666 days	Tue 11/30/04	Tue 9/16/06																				
134	Insulation Expansion Construction	928 days	Tue 12/23/04	Tue 6/5/06																				
148	Contract Complete	9 days	Tue 9/16/04	Tue 9/16/04																				

Look Ahead:

During the 2nd Quarter of 2005 the GCCM contract will be finalized with Turner Construction. NBBJ will conclude the construction document phase of design for the IEB and the NJB. Over the coming months a series of bid packages will be advertised for the key elements of construction work. Major site preparation will begin.

- o GCCM Contract Settlement March 2005
- o Site Work Bid Advertised April 2005
- o Groundbreaking Ceremony Bond Project April 2005

Required Legislative/Policy Actions

- o Oversight Committee contract review and approval March 2005
- o King County Council legislative approval March, 2005

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PROJECT CHRONOLOGY

- 6/2001 Program Management Plan by JE Jacobs Facilities completed
- 12/2001 Request for Qualifications Published for Harborview Medical Center Bond Program
- 1/2002 Selection of NBBJ for Harborview Bond Program Architectural Services
- 3/2002 King County Council approves a Definitive Agreement designating UW CPO as Project Manager.
Also approved funding for Predesign and programming
- 3/2002 UW Board of Regents approves Definitive Agreement
- 4/2002 Project Labor Agreement was recommended by King County Council
- 4/2002 Oversight Committee held first meeting
- 5/2002 King County selects consultant for housing replacement design
- 5/2002 Citizens Advisory Committee meeting was held to discuss new massing options for clinics building
and Opus
- 6/2002 Oversight Committee approves the PLA with the 9 guiding principles
- 7/2002 A Squire Park Community Meeting was held to discuss the housing location
- 7/2002 The County Council approves the GC/CM approach via ordinance
- 9/2002 Another Community Meeting was held to begin DYS master site plan
- 10/2002 Full County Council approval of the 401 Broadway Lease
- 10/2002 Bond Oversight approval of the independent project monitoring consultant
- 10/2002 GC/CM interviews held
- 11/2002 DBE Program reviewed and approved for inclusion into the bond project
- 11/2002 401 Broadway Groundbreaking Ceremony
- 11/2002 Pre-design work concluded
- 11/2002 County Council approves "Bridge" funding
- 12/2002 GC/CM Contractor selected
- 12/2002 Design Program Phase begins
- 12/2002 King County Arts Commission convenes a jury to select project artists
- 01/2003 Contractor begins independent analysis of the cost estimate
- 01/2003 City Council Committee hearing on aerial vacation
- 01/2003 Independent Audit consultant conducts a Phase I project review
- 02/2003 Oversight Committee Approves the Carbon Fiber Wrap Technology
- 02/2003 A plan for pursuing LEEDS/Building Sustainability goals was approved
- 02/2003 A public hearing on the aerial vacation was held at the City Council
- 03/2003 Oversight Committee approves the Program Plan
- 03/2003 Full Board of Trustees approves the Program Plan
- 03/2003 Seattle City Council approves the Aerial Vacation
- 04/2003 King County Council Approves the Bond Program Scope, Schedule and Budget
- 04/2003 Schematic Design Phase Begins
- 04/2003 Citizens Advisory Committee reviews the exterior design concepts and streetscapes.
- 05/2003 Proposed project amendment to create add'l floors and parking capacity in the NJB
- 05/2003 Agreement with the City regarding alternative housing replacement plan.
- 06/2003 LEED Charrette
- 06/2003 Community Council presentation on exterior façade and building massing
- 07/2003 Design Commission presentation on campus form and aesthetics
- 07/2003 County Council briefing on the Ninth and Jefferson building revised scope of work
- 08/2003 County Council approval of the Ninth and Jefferson Building additional floors
- 08/2003 Schematic Design Mid-phase Review
- 09/2003 SD approved for the IEB, Seismic & Demolition Projects/proceed to Design Development
- 09/2003 Request for MIMP amendment to address housing requirements sent to the City DCLU
- 10/2003 LEED Certification determined cost prohibitive – other options being considered
- 10/2003 Design Development Phase begins for the IEB, Bridge and Demolition projects
- 11/2003 Revised letter sent to the City of Seattle DCLU confirming MIMP housing request

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PROJECT CHRONOLOGY

12/2003 NJB revised program and schematic design conclusion
12/2003 Design Development mid-phase review for the IEB, HH/EC demolition
01/2004 Harborview Board and Oversight Committee approve the NJB Schematic Design
01/2004 Seattle Design Commission Presentation on building exterior and streetscape designs
02/2004 Facilities & Oversight Committee approve earmarking reserve funds for soils remediation
02/2004 Commercial tenants vacate the NJB site at the NW corner.
03/2004 King County Council Approves Bond Sale Legislation
04/2004 City of Seattle Planning Department approves the MIMP request for Housing mitigation.
04/2004 Deadline for appeals to the Cabrini housing mitigation plan passes without challenge
04/2004 Received the highest bond rating for the sale of \$110 million Harborview Bonds
05/2004 Oversight Committee review and approval of the IEB exterior and streetscape
06/2004 IEB Design Development Review and Approval by the Facilities & Oversight Committees
06/2004 Design review and approval granted the by the City of Seattle Design Commission
06/2004 401 Broadway Opening Ceremony and Pat Steel memorial building dedication
07/2004 Received Federal EPA Brownsfield Grant for NJB soils remediation
07/2004 Housing mitigation plan receives full funding
08/2004 NJB exterior & interior design concepts approved by the Oversight Committee and HMC
08/2004 Citizens Advisory Committee reviews NJB design and streetscape
08/2004 County Council approves technical appropriation to support contract extensions
08/2004 County Council approves the sale of \$54 million in remaining bonds
09/2004 DD approved for the NJB and authority to proceed to Construction Document Phase
10/2004 Turner Construction presents schedule overview and construction logistics plan
11/2004 County approves the 2005 Bond Project administrative budget
12/2004 Turner Construction presents revised GCCM cost estimate to the Project Team
12/2004 Bids advertised for early site and abatement at the 9th and Jefferson site.
12/2004 The housing mitigation project: Cabrini Sisters Senior Housing, begins construction
01/2005 Contract negotiations continue with Turner Construction for a guaranteed cost.
02/2005 Oversight Committee approves the UWCPO contract settlement terms with Turner
02/2005 Oversight Committee approves an approach for managing exceptional escalation
02/2005 King County Council receives briefing on project status and upcoming legislation