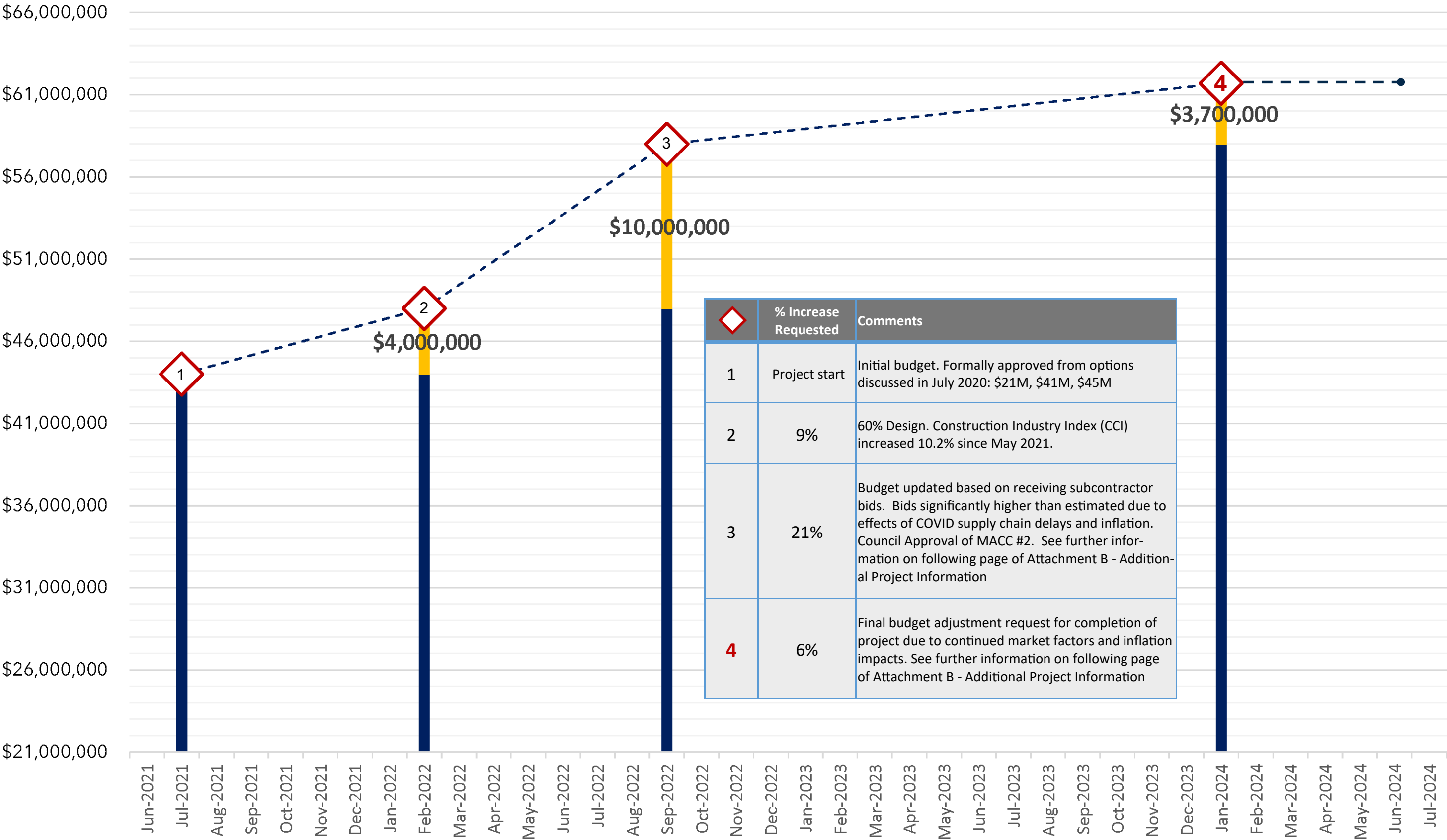




Project Budget History

Approved Budget Adjustment Requests Total



		% Increase Requested	Comments
1	1	Project start	Initial budget. Formally approved from options discussed in July 2020: \$21M, \$41M, \$45M
2	2	9%	60% Design. Construction Industry Index (CCI) increased 10.2% since May 2021.
3	3	21%	Budget updated based on receiving subcontractor bids. Bids significantly higher than estimated due to effects of COVID supply chain delays and inflation. Council Approval of MACC #2. See further information on following page of Attachment B - Additional Project Information
4	4	6%	Final budget adjustment request for completion of project due to continued market factors and inflation impacts. See further information on following page of Attachment B - Additional Project Information



Budget Adjustment Request

	Current Budget	Requested Budget	Difference	Comment
Contingency	\$4,000,000	\$5,400,000	\$1,400,000	Increased change orders due to supply chain delays, design changes from early procurement, and building features added. Changes include: - Civil/Structural: \$400K - Mech/Electrical: \$550K - Finishes/Hardware: \$450K
Contractor Overhead	\$3,700,000	\$4,700,000	\$1,000,000	Schedule delay increases contractor overhead costs. Contractor overhead approx. \$7,500/day, 133 added days
Sales Tax	\$4,300,000	\$5,000,000	\$700,000	Increase due to added contract cost plus project management accounting error. Sales tax for contingency was not included in project cost tracking
Construction Admin	\$2,500,000	\$3,200,000	\$700,000	Schedule delay increases city and consultant construction admin costs
Permit Fees	\$1,000,000	\$900,000	-\$100,000	Actual permit fees slightly less than estimated
		Total	\$3,700,000	

Attachment B – Additional Project Information

Redmond Senior and Community Center

Project Discussion

Q: Why did we need to increase the budget in September 2022? 

A: The third budget increase was the result of the impacts from COVID, greater than anticipated inflation, supply chain shortages, and labor shortages. Design of the project started towards the beginning of the COVID shutdowns. Construction estimates prepared by both the contractor and design consultant started to reflect some of the known impacts of COVID, however it wasn't until 6 months later when bids were received from subcontractors and suppliers did the City see the larger effects and impacts of COVID shutdowns, material, equipment and labor shortages, and inflation on the construction costs.

During development of the design documents the contractor started hearing about extended lead times on critical elements of the project so the City bid some elements of the project with 50% design documents - including the mass timber structural elements, mechanical equipment, and electrical equipment - knowing there would be changes as the design documents reached 100% (MACC #1). This allowed the City to secure a place in line with manufacturers around the country.

After the design documents were completed, the City bid the remaining elements of the project. Those elements were coming in higher than the budget. In some cases, the City was not able to secure bids, so the City set up allowances and would bid again at a future time (MACC #2).

At the time of that budget increase at MACC #2 the City assessed that full costs were captured reflecting all the impacts from the shortages and supply chain impacts. In assessing the impacts on schedule, the contractor and the City were in agreement the schedule could still be met for substantial completion.

Q: Didn't the budget increase in September 2022 (MACC #2) capture all added costs? 

A: After the MACC #2 budget approval, the City continued to receive reports and monitor market conditions which indicated continued delivery delays within the broader supply chain which would impact already placed orders.

The largest impact to the schedule and a major cost driver was from the timely procurement of electrical switchgear. This delay would impact overall completion of the project as these components drive so many other critical systems within the building. Working with the Contractor, the City determined project completion would need to be extended until mid-April 2024 or longer. However, after resequencing parts of the project and moving some commissioning activities, the project completion date was moved closer to the end of March 2024, but the project still needed to absorb higher operating costs due to the shortage (material, staff time).

While every attempt is made to contractually tie down delivery dates, there was concern expressed by our contractor and subcontractors if they pushed too hard, suppliers and manufacturers may just cancel

orders, particularly the mass timber, electrical and mechanical equipment (which can be standard industry practice).

The City also asked for some enhancements to the project to provide for better access for users of the new facility. These enhancements include hands free door openers for the locker rooms, Teams capability in the Community Room and the staff conference room, and additional power access outdoors to better serve our outdoor festivals. This budget increase also captures those costs.

The schedule slippage from November 2023 to March 2024 increased the Contractor's and major subcontractor's overhead costs as they provided staff and facilities to complete the project.

Q: Should the City have delayed the start of construction of the facility so we didn't have to make as many budget and schedule changes?

A: Delaying the start of construction until the project was 100% designed, inflation under control, labor, material shortages/impacts priced into the project would have increased both the time and costs to construct the project. Delaying the start could have pushed opening the new facility to the end of 2024, or early 2025. The City committed to the Senior user and City as a whole to complete the facility as soon as possible. This was the best approach to completing the new facility as close to the 2023 date as possible.

Project-Related Community/Stakeholder Outreach

01/09/2020	Stakeholder Conference Call
01/15/2020	Public Meeting - Facilitated by EnviroIssues and Patano
01/16/2020	Lunch Briefing with Seniors
01/23/2020	Public Meeting - Facilitated by EnviroIssues and Patano
02/06/2020	RYPAC Senior Center Discussion
02/10/2020	Community Centers Open House - Facilitated by Patano
02/24/2020	Stakeholder Meeting #1 - Facilitated by EnviroIssues
03/05/2020	Stakeholder Meeting #2 - Facilitated by EnviroIssues
12/14/2020	Project Update for Stakeholder Group and "Meet and Greet" with Architect Team
01/11/2021	Project Stakeholder Group Meeting #1
01/25/2021	Project Stakeholder Group Meeting #2
02/01/2021	Outreach to Local Businesses, Nonprofits, Partners, Organizations, Community Members, BIPOC Communities, etc., Leading Up to Public Meetings
02/17/2021	First Online Questionnaire Launches (Closed On 03/10/2021)
02/24/2021	Virtual Public Meeting #1 (Senior Focused Daytime & General Public Evening)
03/01/2021	Outreach to Local Businesses, Nonprofits, Partners, Organizations, Community Members, BIPOC Communities, etc., Leading Up to Public Meetings
03/01/2021	Project Stakeholder Group Meeting #3
03/22/2021	Project Stakeholder Group Meeting #4

03/24/2021	Virtual Public Meeting #2 (Senior Focused Daytime & General Public Evening)
03/24/2021	Second Online Questionnaire Launches (Closed on 04/03/2021)
05/24/2021	Project Stakeholder Group Meeting #5
06/14/2021	Project Stakeholder Group Meeting #6
10/11/2021	Project Stakeholder Group Meeting #7
11/15/2021	Project Stakeholder Group Meeting #8
01/10/2022	Project Stakeholder Group Meeting #9
02/28/2022	Project Stakeholder Group Meeting #10
Monthly Briefings	Parks and Trails Commission
Monthly Briefings	Arts and Culture Commission
Monthly Briefings	Senior Advisory Committee

Previous Project-Related Council Touches

Date	Meeting	Requested Action
09/17/2019	Business Meeting	Receive Information
12/03/2019	Business Meeting	Receive Information
02/11/2020	Study Session	Receive Information
02/25/2020	Committee of the Whole - Finance, Administration, and Communications	Receive Information
03/03/2020	Committee of the Whole - Parks and Human Services	Receive Information
06/02/2020	Committee of the Whole - Parks and Human Services	Receive Information
06/23/2020	Study Session	Receive Information
07/07/2020	Committee of the Whole - Parks and Human Services	Receive Information
07/28/2020	Study Session	Receive Information
08/04/2020	Committee of the Whole - Parks and Human Services	Receive Information
08/11/2020	Committee of the Whole - Planning and Public Works	Provide Direction
09/01/2020	Committee of the Whole - Parks and Human Services	Provide Direction
09/15/2020	Business Meeting	Approve
10/22/2020	Special Meeting	Approve
12/01/2020	Committee of the Whole - Parks and Human Services	Receive Information
01/05/2021	Committee of the Whole - Parks and Human Services	Approve
01/19/2021	Business Meeting	Approve
02/09/2021	Committee of the Whole - Planning and Public Works	Approve
02/16/2021	Business Meeting	Approve
03/09/2021	Study Session	Receive Information
04/06/2021	Committee of the Whole - Parks and Human Services	Receive Information
04/20/2021	Business Meeting	Approve
05/04/2021	Committee of the Whole - Parks and Human Services	Receive Information
06/01/2021	Committee of the Whole - Parks and Human Services	Receive Information
06/22/2021	Study Session	Receive Information
07/06/2021	Business Meeting	Receive Information
07/20/2021	Business Meeting	Approve

08/24/2021	Committee of the Whole - Finance, Administration, and Communications	Receive Information
09/07/2021	Committee of the Whole - Parks and Human Services	Receive Information
09/14/2021	Committee of the Whole - Planning and Public Works	Provide Direction
09/21/2021	Business Meeting	Approve
10/05/2021	Committee of the Whole – Parks and Human Services	Receive Information
10/26/2021	Study Session	Receive Information
11/01/2021	Business Meeting	Approve
01/25/2022	Committee of the Whole – Parks and Environmental Sustainability	Receive Information
02/01/2022	Business Meeting	Receive Information
02/15/2022	Business Meeting	Approve
02/22/2022	Committee of the Whole – Parks and Environmental Sustainability	Receive Information
03/01/2022	Business Meeting	Approve
03/08/2022	Study Session	Provide Direction
03/22/2022	Committee of the Whole – Parks and Environmental Sustainability	Receive Information
04/05/2022	Business Meeting	Approve
05/03/2022	Committee of the Whole - Planning and Public Works	Provide Direction
06/07/2022	Committee of the Whole - Planning and Public Works	Provide Direction
06/21/2022	Business Meeting	Approve
07/26/2022	Committee of the Whole – Parks and Environmental Sustainability	Receive Information
08/16/2022	Business Meeting	Receive Information
08/23/2022	Study Session	Receive Information
09/20/2022	Business Meeting	Approve
09/27/2022	Study Session	Receive Information
10/04/2022	Business Meeting	Approve
01/24/2023	Committee of the Whole – Parks and Environmental Sustainability	Receive Information
07/05/2023	Business Meeting	Receive Information
10/23/2023	Special Meeting	Receive Information