

DATE September 22, 2010

TO: Budget Section
North Dakota State Legislature

FROM: Russ Handegard
Owner's Rep-NDVH

RE: Status of NDVH construction project

Introduction

Since the last meeting of the Budget Section the issues which have arisen have been of a fairly routine nature with one exception. That issue related to constructability of the perimeter road and parking lot. As indicated earlier, from our perspective, the NDDOH issues have been resolved. The backfill failures have been remediated and work has proceeded. In general, questions which have come up are being resolved in a timely manner. Work still remains primarily involving furnishings and equipment.



Perimeter Road and Parking Lot

Last summer it became apparent that a condition of a high water table existed on the east to southeast area of the site. During this summer we have experienced frequent rains and run off naturally collected at the perimeter of the site. Upon the commencement of work on the pavement the contractor indicated that weak, saturated soils were preventing them from executing their work. A debate ensued as to the cause of the high water table. Inadequate standing water removal on the behalf of the contractor, or natural events. A second debate ensued with our professional partners as to the scope of the problem. At this time we can report that the issues are substantially resolved at a small fraction of the cost originally estimated.



Backfill failures

Although the repairs have been made, a fairly large cloud still hangs over the site regarding the responsibility for all that transpired. The debate over who or what caused the problem and who should bear the cost of remediation is anything but resolved in the minds of the contractors. There is a high probability that additional claims will be made against the NDVH under the terms of the contract related to the separate prime contracts. We are of the opinion that the NDVH is not at fault in these matters and in fact is the primary damaged party, but will probably be forced to defend this position legally.



Schedule

Following is a summary of contractual considerations.

Original substantial completion date		October 1, 2010
Change order # 17G (NDDOH)	ADD 30 days	October 31, 2010
Change order # 21G		
Weather accommodation	ADD 12 days	
Contract issuance	ADD 12 days	
2009 spring flood	<u>ADD 30 days</u>	
	ADD 54 days	December 24, 2010



Current status

The exterior of the building is 95% or more complete. Site work is ongoing and is 50% or more complete. Finish work is well underway in both "A" and "D", which significantly contain a substantial percentage of that work. Unit "C" has entered the drywall stage with a fairly large amount of mechanical/electrical work remaining in the core and mezzanine. Unit "B" is fully framed with rough in ongoing. The monthly progress billings indicate that the project overall is approximately 80% complete as of the end of August.



Conclusion

With a little cooperation from Mother Nature the remaining site work should be substantially complete by the middle of next month. This may be the last great hurdle leading to overall completion. The staff is focused on the furnishing and equipment needed for the new facility, which is good. The end is clearly in site and we should be welcoming our veterans into an attractive and modern home in the very near future.



Summary of ND Veteran's Home Project

Authorized Budget

Architectural Fees	\$2,273,907
Construction	
General	\$16,820,500
Electrical	\$2,556,115
Mechanical	\$6,432,953
Sub-total	<u>\$25,809,568</u>

Geothermal heat	\$2,814,272
Contingency	\$750,000
FF&E	\$1,842,920

Total: **\$33,490,667**

Other Construction Costs:

Money granted by legislature for preplanning in 07-09 Biennium	\$100,000
Patient lifts	\$200,340
Site work (prior to legislative session)	\$1,035,958

SB 2075:

Move 3 stall garage	\$17,000
Maintenance Building	\$93,000
Mill, overlay, curb & gutter	\$125,000
Street lighting	\$45,000
Landscaping	\$70,000

Sub-total other construction costs **\$1,686,298**

Total Estimated Construction Costs: **\$35,176,965**

Other Costs:

Owners Representative	\$90,088
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Total Authorized Construction Budget: **\$35,267,053**

FUNDS REMAINING

Construction Budget

\$35,176,965 Construction budget funding
<u>-\$24,294,578 Less bills paid</u>
<u><u>\$10,882,387 Budget Remaining</u></u>

Contingency Budget

\$750,000 Contingency budget funding
<u>-\$480,248 Less bills paid</u>
<u><u>\$269,752 Budget Remaining</u></u>

The project is running on budget at the present time with \$269,752 left in contingency funds.

As for the items in SB 2075, we have moved the 3 stall garage to it's new location, we just received bids for some of the mill & overlay work, we completed construction on the maintenance shop but have yet to pour the concrete aprons and install the electrical service. We have yet to do any of the street lighting or landscaping work.