

DATE: December 8, 2010

TO: Budget Section
North Dakota State Legislature

FROM: Russ Handegard
Owner's Rep-NDVH

RE: Status of NDVH construction project

Introduction

As the construction progresses toward completion one hopes and it seems that day to day issues become fewer and less significant. The focus has begun to shift from managing the construction to managing the transition to the new facility. Although I have a limited role to play in that regard, it is very clear to me what a complex and demanding task this will be.

Site Work

Following up on observations made previously with regard to the parking lot, the issues were addressed and the work is complete. The repair and overlay of existing roadways was also completed. All site work under contract was substantially completed prior to freeze up. The principal remaining work is outside the contract and involves lawn building, landscaping, and street lighting. The site work is at a suitable point which will allow building occupancy.



Building Exterior

Prior to the advent of winter weather the exterior was inspected and the majority of corrections have been made. Anything which remains will be of an inconsequential nature and will not affect occupancy.

Schedule

The contractual completion date remains December 24, 2010 but will not be met. This has been anticipated for some time and has been incorporated into the planning for the transition to the new facility. Requirements for inspections and certification are a critical factor in this planning. Our response to the Contractors with regard to the delays is a subject of ongoing discussions between the staff, the Board, the design team, and the Attorney General's office, and is closely tied to the resolution of other disputes and claims.



Disputes and Claims

As reported previously, the principal disputes stem from the trench backfill failures. It has been and continues to be our position that problems were self-inflicted by the actions of the contractors. We have continued to suggest that they would be best served to approach this as a general liability insurance issue. For reasons known only to them, they seem to think that relief can best be obtained by pursuing claims against the State. It is likely the State will have to defend itself against claims. Smaller claims for additional services by the design professional have been presented, but upon review we feel they are nearly entirely unjustified.



Current Status

The exterior of the building and the site are substantially complete. "A" and "D" (skilled care) are close to being ready for final inspection. Unit "C" is to the finishing stage and drywall is approaching completion in "B". The monthly progress billings indicate that the project overall is approximately 91% complete as of the end of November.



Conclusion

Mother Nature did cooperate and we were able to complete everything required on the exterior of the project. The finish of the interior is progressing at a consistent pace. The staff of the NDVH is working diligently to procure furnishings and organize the operations of the new facility. We are still closer to the day we welcome our Veterans to their new home.



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:	<u>\$33,490,667</u>

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	<u>\$1,686,298</u>
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Total Estimated Construction Costs:	<u>\$35,176,965</u>
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Other Costs:

Owners Representative	\$90,088
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Total Authorized Construction Budget:	<u>\$35,267,053</u>
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FUNDS REMAINING

Construction Budget

\$35,176,965 Construction budget funding
<u>-\$29,993,002 Less bills paid</u>
<u>\$5,183,963 Budget Remaining</u>

Contingency Budget

\$750,000 Contingency budget funding
<u>-\$498,993 Less bills paid</u>
<u>\$251,007 Budget Remaining</u>

The Veterans Home Construction Project is approximately 91% complete

SB 2075 Funding

Items Funded

\$93,000	Maintenance storage building
\$17,000	Moving 3-stall garage
\$70,000	Landscaping
\$125,000	Mill & overlay existing site
\$45,000	Street lighting
<u>\$350,000</u>	

#	<u>Date</u>	<u>Paid to Date</u>	
1	11/30/09	\$1,550.70	Interstate Engineering - stake & grade site
2	11/30/09	\$575.00	D Excavating - site work
3	12/28/09	\$1,936.00	Dick's Construction - gravel
4	12/29/09	\$34,588.00	Differding Construction
5	2/11/10	\$49,440.00	Differding Construction
6	4/30/10	\$2,925.00	Schmit Inc - moved bldg
7			
8			
9			
10			
		<u>\$91,014.70</u>	

The project is running on budget at the present time with \$251,007 left in contingency funds.

As for the items in SB 2075, we have moved the 3 stall garage to it's new location, we completed construction on the maintenance shop but have yet to pour the concrete aprons and finish installing the electrical service and we completed the mill and overlay work. We have not completed any of the street lighting or landscaping work.