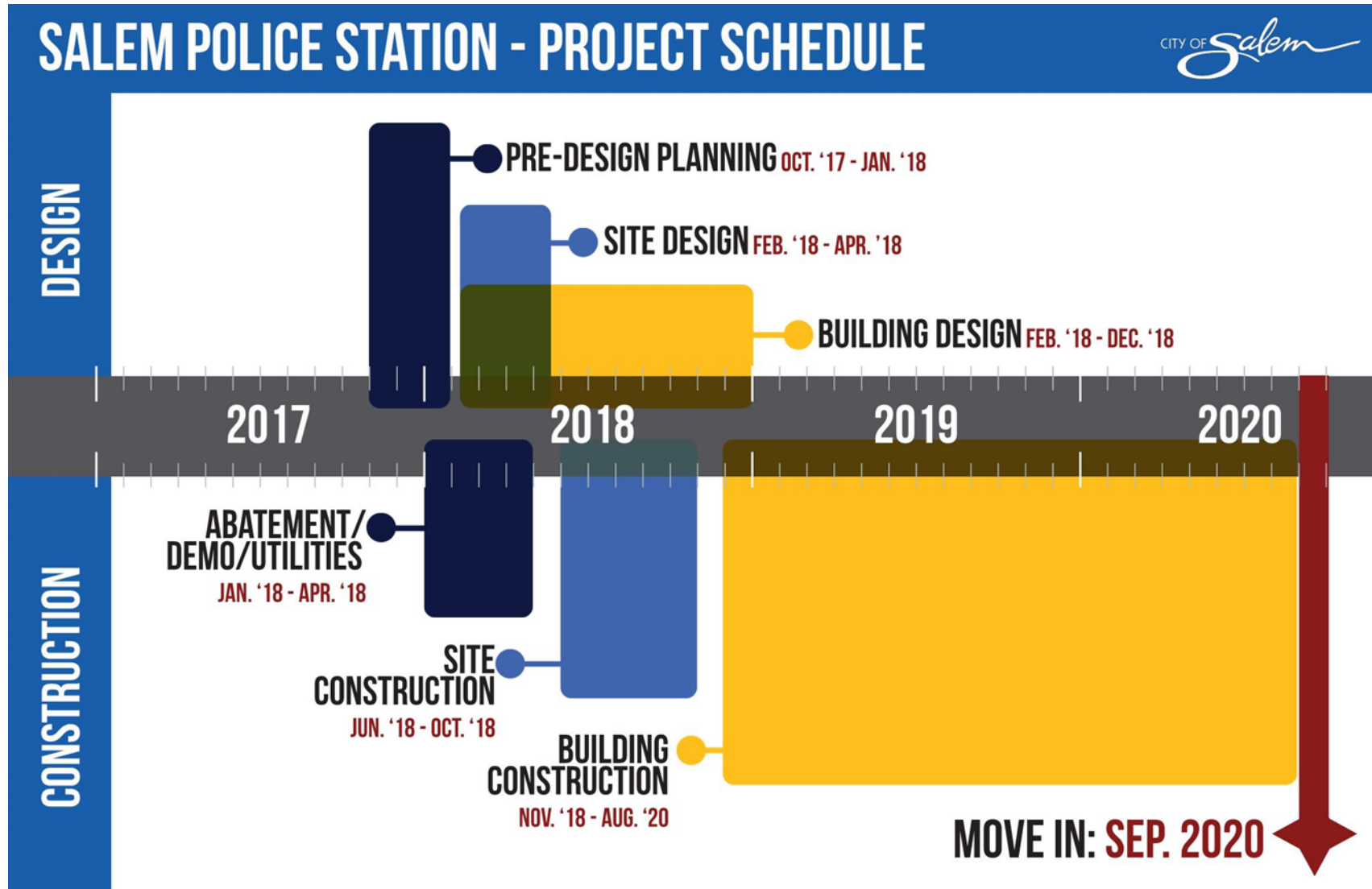


# Salem Police Station Update

**Council Subcommittee Meeting  
June 19<sup>th</sup> 2019**



# Schedule Review



# Construction Progress

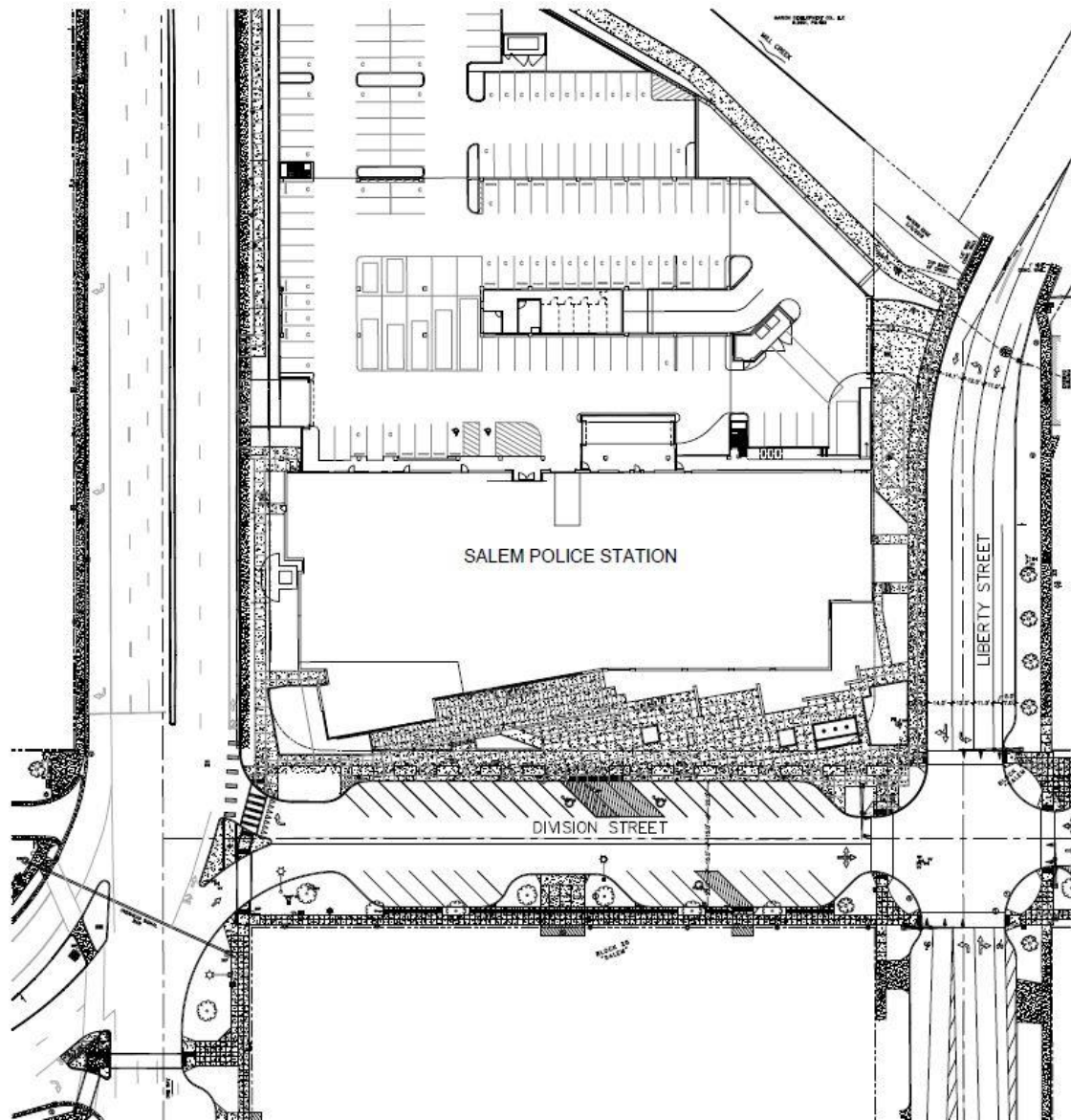
## End of Structural Work Kicks Off:

- Community Room
- Exteriors from Level 2→Up→Level 1 – North –  
West – South - East
- Parking Garage
- Interiors Can Begin As Soon As Re-Shores  
Are Removed. Level 1 → 3 & West to East





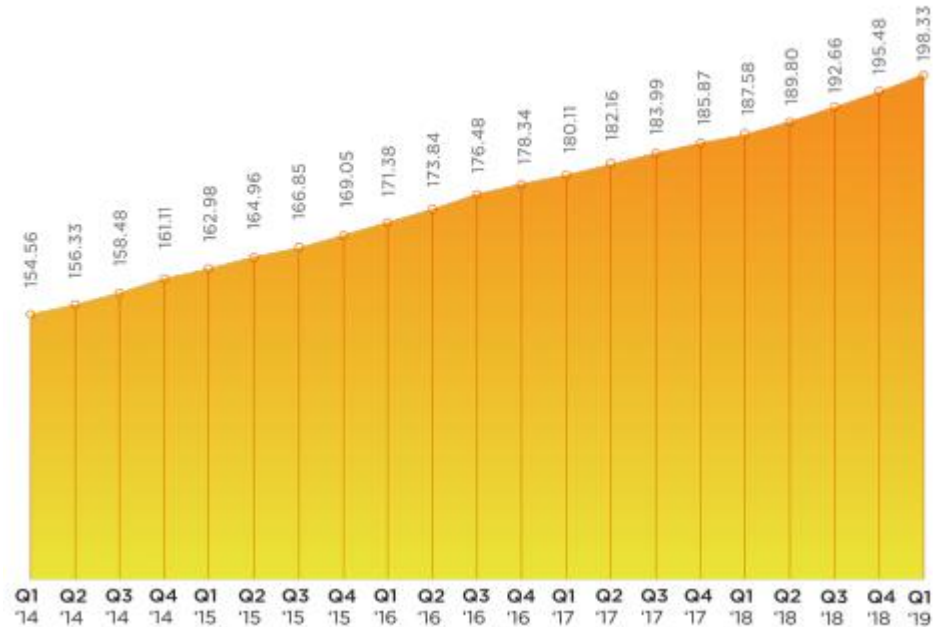
# Scope of Street Work





# Project Budget – Review

## NATIONAL CONSTRUCTION COST INDEX



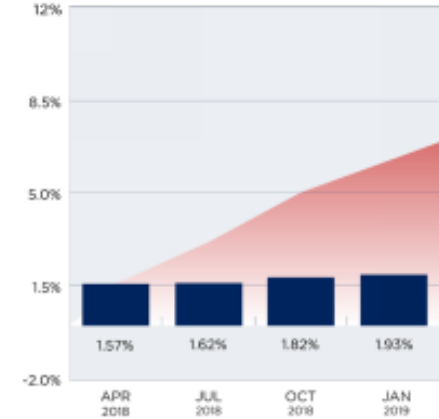
### PORTLAND



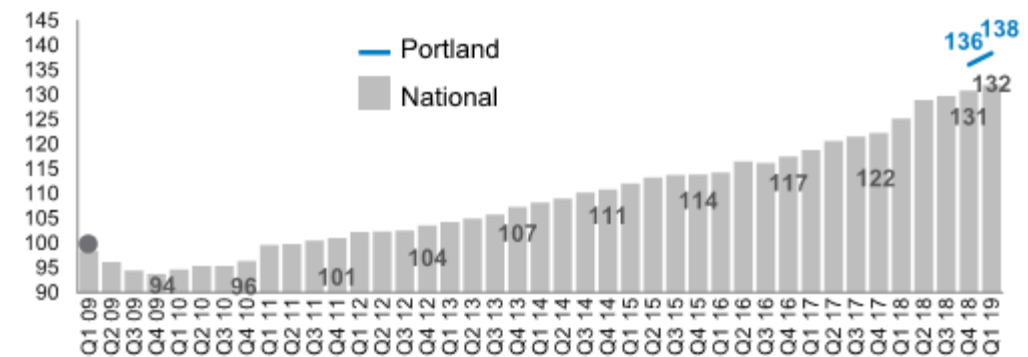
## Portland Building Component Trends (Q1 2019 vs. Q4 2018)

Highest Growth	• Earthwork (12.4%)	• Steel/Metal Decking (6.1%)
	• Site Utilities (11.8%)	• HVAC Systems (4.4%)
	• Painting/Wall Covering (6.5%)	• Cast-In-Place Concrete (4.3%)
	• Electrical Systems (6.2%)	• Asphalt Paving (4.2%)
Moderate Growth	• Plumbing Systems (3.0%)	
Flat	• Gypsum Board Systems	• Deck Formwork
	• Entrances/Storefronts	• Electric Traction Elevators
	• Steel Framing/Stair Erection	• Fire Protection Systems
Decline	• Install Reinforcing Steel (-13.2%)	• Unit Masonry (-3.3%)
	• Preformed Metal Wall Panels (-5.1%)	• Reinforcing Steel (-2.5%)

## COST INDEX PORTLAND

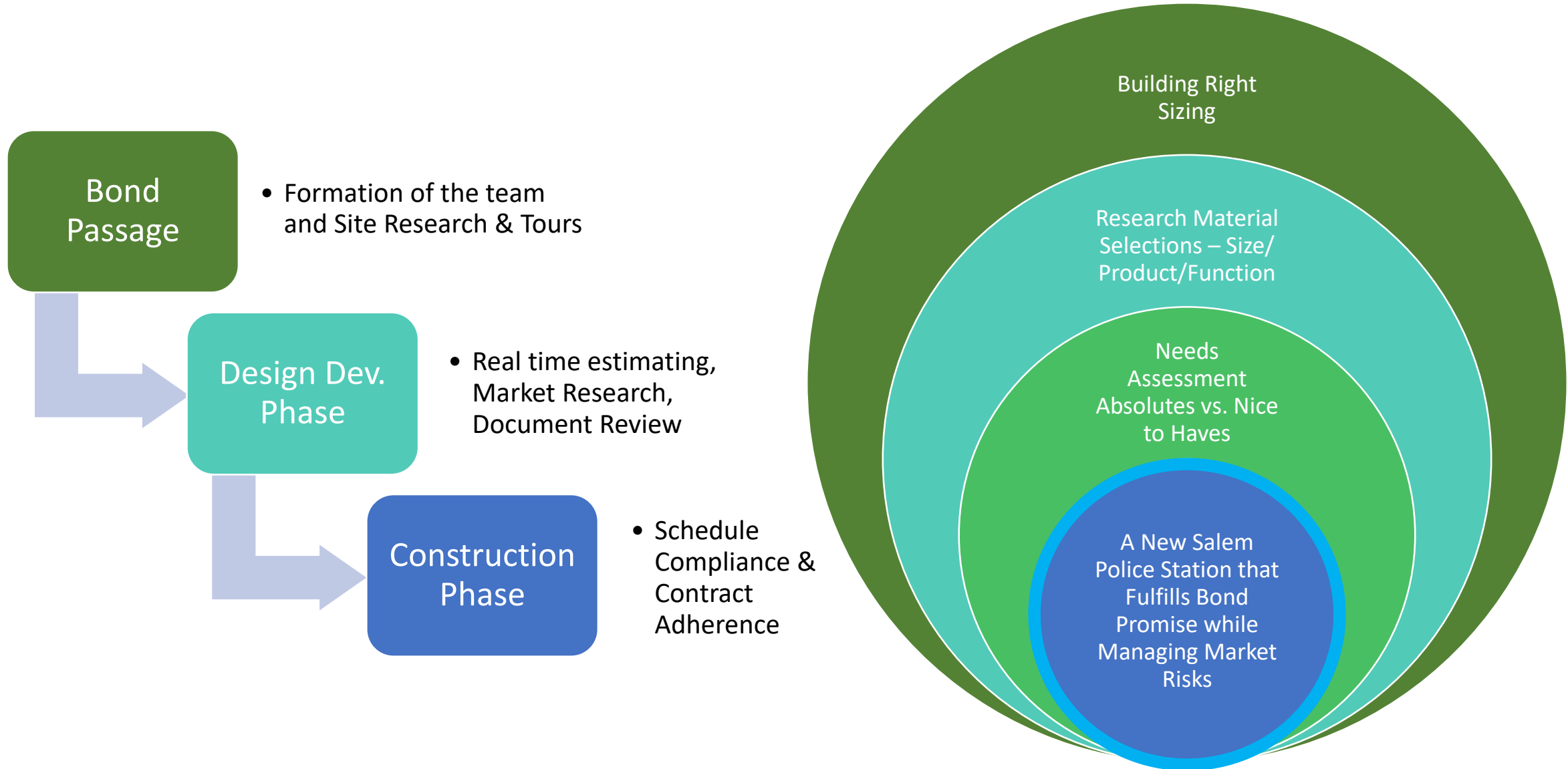


## Overall Construction Cost Index (January 2009 = 100)



The national construction cost index has been on an upward trajectory consistently over the past several years. This continued in the first few months of 2019, increasing 5.4% compared to a year ago. In Portland market, where we recently began tracking data, the cost index increased 1.7% compared to Q4 2018, with costs tracking 5 to 6 points higher than our national index.

# Project Scope – Review



# Bidding & Procurement

## Efforts Over Past 2 Months Toward Budget Alignment

- De-Scoping Efforts
- Equal Alternative Product Research
- Re-Bidding Efforts
- Reduction of Contingencies
- Detailed Scope Review
- Labor Rates from Trade Partners

# Current Contract Status with CM/GC

STATUS	ID #	DATE	DESCRIPTION	AMOUNT	TOTAL
APPROVED	Original Contract	2/27/2018	Original CM/GC Contract - Precon Services	\$173,250	\$173,250
APPROVED	Amendment #3	10/16/2018	MEP Pre-Con Services and Geo Peer Review	\$191,077	\$364,327
APPROVED	Amendment #6	5/21/2019	Pre-Con Extension through May 2019 & Envelope Review	\$49,750	\$414,077
Pre-Con Subtotal				\$414,077	
APPROVED	Amendment #1	9/10/2018	Insurance Terms - Adjusted	\$0	\$0
APPROVED	Amendment #2	10/17/2018	Early Work #1 - Earthwork & Utilities & GC/GR's	\$2,161,655	\$2,161,655
APPROVED	Amendment #4	11/1/2018	Early Work #2 - Structural Concrete & GC/GR's	\$8,284,593	\$10,446,248
APPROVED	Amendment #5	JAN 19	Early Work #3 - Precast, Elevator, Embeds, Waterproofing, UnderSlab MEP	\$2,646,356	\$13,092,604
APPROVED	Amendment #7	5/21/2019	Early Work #4 - HM, Framing/Drywall/Ceilings, Fencing, Embeds, Staffing (PCI's 6,7,12,15,16,17,22)	\$6,718,337	\$19,810,941
TENTATIVE	Amendment #8	TBD	Early Work #5 - TBD		
	Onsite GMP Amendment	JUL 19	Guaranteed Maximum Price		
Construction Subtotal				\$19,810,941	
CM/GC CONTRACT TOTAL				\$20,225,018	



# Project Budget – Proposed Resolution w/ Streets Scope

## Salem Police Station: Project Funding Summary – 104,000 SF Facility

FUNDING TYPE	OVERALL BUDGET	CONSTRUCTION BUDGET	ACTUAL CONSTRUCTION	CONSTRUCTION VARIANCE	SOFT COSTS
May 2017 Bond Amount	\$ 61,814,000	\$ 43,233,000	\$ 54,760,000	(\$ 11,527,000)	\$ 18,581,000
Street Improvements	\$ 4,300,000	\$ 3,800,000	\$ 4,433,000	(\$ 633,000)	\$ 500,000
Bond Premium	\$ 4,222,611	\$ 2,481,966		\$ 2,481,966	\$ 1,740,645
Interest	\$ 1,457,564	\$ 1,457,564		\$ 1,457,564	
Public Works Funds	\$ 887,000	\$ 887,000		\$ 887,000	
Approved UR Funds -SPS	\$ 2,085,000	\$ 2,085,000		\$ 2,085,000	
<b>Funding Variance</b>		\$ 53,944,530	\$ 59,193,000	(\$ 5,248,470)	
Proposed UR Funds - SPS	\$ 2,660,000	\$ 2,660,000			
Proposed UR Funds - Streets	\$ 633,000	\$ 633,000			
Salem Police Funds	\$ 350,000	\$ 350,000		\$ 5,248,470	
Owner Contingency Funds		\$ 1,605,470			(\$ 1,605,470)
<b>TOTAL</b>	<b>\$ 78,409,175</b>	<b>\$ 59,193,000</b>	<b>\$ 59,193,000</b>	<b>\$ 0</b>	<b>\$ 19,216,175</b>

# Project Budget - Next Level Cuts

- Reduce Upper Parking Deck by 36 Spaces and Eliminate Freeze Protect at Ramp .....\$611,000
- Reduce Base Bid to 8' Tall Chain Link in lieu of Specified Echelon II Security Fence .....\$56,000
- Reduce Window Security Film Scope down to 50% of Windows .....\$129,000
- Eliminate Wainscot Wall Protection down Main Hallways .....\$56,000
- Decrease Generator Fuel Tank size from 72-hour Capacity to 24-hour Capacity .....\$96,000
- Remove South Canopy at Upper Parking Deck .....\$160,000

- Defer Solar Scope to Future Bond Projects .....\$795,000
- Reduce Upper Parking Deck by another 13 Spaces .....\$200,000
- Street Work (Parking, Biking, Ped Reductions) .....\$600,000
- Reduce Quality of Interior Finishes (Carpet, Ceiling Tile, etc.) .....\$200,000
- Reduce Quality of Exterior Finishes (Roofing, Metal Panels, Glass) .....\$200,000
- Targeted Security / Device Cuts (Cameras, Card Readers, Bullet Resistance) .....\$300,000

**TOTAL REDUCTIONS ..... \$3,403,000**

# Path To GMP – Cost Certainty

## Current GMP Path

### Amendment #8 – Envelope, Flooring & General Conditions

19-Jun	CM/GC Presents draft amendment to Owner
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28-Jun	Owner executes Amendment #8
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28-Jun	<b>Amendment #8 Returned to CM/GC</b>
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### GMP Amendment

21-Jun	CM/GC presents draft GMP to Owner for Review
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8-Jul	City Counsel Meeting – Additional Urban Renewal Funds on Agenda
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12-Jul	Owner executes GMP Amendment
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12-Jul	<b>GMP Amendment Returned to CM/GC</b>
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# Public Outreach

## **“Together We Are Building A Safer Salem”**

- **JE DUNN Onsite Summer Intern.**
- **JE DUNN Assistance with Center for Hope & Safety**
- **Continued Work with Police Station Artist**
- **National Night Out Kick-Off - July 23rd event at City Hall**
- **National Night Out – August 6<sup>th</sup>**

# Next Update

Open Discussion - Questions

**Next Council Subcommittee meeting is scheduled for TBD**