



## BOARD OF COMMISSIONERS

# AGENDA REQUEST & STAFF REPORT

**MEETING DATE:** October 19, 2022

**SUBJECT:** Consideration of Board Signature of Document No. 2022-790, an amendment to SunWest Builders contract No. 2022-197 to establish the Guaranteed Maximum Price for the remodel of 244 Kingwood Avenue in Redmond, OR, and related site improvements

**RECOMMENDED MOTION:**

Move approval of Document No. 2022-790 amending Deschutes County Contract No. 2022-197 with SunWest Builders for the Remodel of 244 Kingwood, Redmond, Oregon and related site improvements.

**BACKGROUND AND POLICY IMPLICATIONS:**

In February of 2022, the Board of County Commissioners approved a contract with SunWest Builders (SWB) to provide Construction Manager/General Contractor services for the North County Campus comprised of two buildings at 236 and 244 Kingwood in Redmond, Oregon. The initial contract for preconstruction services was for \$21,000. Design is now complete, and SWB has provided a final Guaranteed Maximum Price (GMP) for the remodel of 244 Kingwood and related site improvements. A 2<sup>nd</sup> GMP amendment for the remodel of 236 Kingwood is expected to be available in 4-6 weeks.

Based on early conceptual cost estimates, staff budgeted \$3.2M for the total 244 Kingwood project including soft costs like architectural design and permitting. Of those costs, \$2.55M was allocated for hard construction. The remodel of 236 Kingwood was budgeted separately. Subsequent to the budget process, an additional 424 SF became available and was included in the scope.

Over the past year, construction costs have increased significantly. During the pre-construction phase, SWB provided construction cost estimates which were presented to the Facilities Project Review Committee in July of 2022. At that time, prior to soliciting subcontractor bids, the construction cost estimate for the combined 244 Kingwood building remodel and site improvements totaled \$3.3M, approximately \$745,000 higher than the budgeted construction costs. By continuing to refine the scope of the project and through favorable subcontractor bids, the final proposed GMP provided by SunWest

Builders now totals \$2,966,855, for a total of \$416,855 over the FY 2023 budget for hard construction costs.

To meet these increased project funding requirements, Mosaic Medical, Deschutes County Health Services, and 9-1-1 (for 9-1-1 related site work) have committed resources totaling \$416,855. These contributions combined with the amount budgeted in Fund 463 provide the resources necessary to meet the proposed Guaranteed Maximum Price. This table illustrates the proposed funding allocation:

Campus Improvements Fund 463 Construction Costs Budget—FY23	\$2,550,000
Mosaic Medical Contribution	\$215,000
9-1-1 Service District Contribution—related site work	\$59,901
Deschutes County Health Services Contribution	\$141,954
<b>Total Proposed Guaranteed Maximum Price—244 Kingwood</b>	<b>\$2,966,855</b>

From July 2022 to the present time, the difference between the FY 23 budgeted construction costs and the construction cost estimate has been reduced by over 50% through a combination of targeted design and construction efficiencies. Additionally, project partners have allocated additional funds to bridge the remaining gap.

**BUDGET IMPACTS:**

If approved, Contract No. 2022-197 with SunWest Builders will be amended for a total contract amount of \$2,966,855 for the remodel of 244 Kingwood, Redmond, Oregon, and related site improvements.

**ATTENDANCE:**

Lee Randall, Facilities Director  
Briana Manfrass, Pinnacle Architecture  
Shaun Clifford, Pinnacle Architecture  
Kevin Link, SunWest Builders  
Adam Bowles, SunWest Builders