

MEMORANDUM

TO: Programs, Projects and Operations Subcommittee

FROM: Ralph Puls, Michael Alley—Alley Poyner Macchietto, Architecture

SUBJECT: Washington County Service Center – Request for Increase in Professional Services Fees

DATE: November 2, 2010

At the May 14, 2009 P-MRNRD Board of Directors meeting, a professional services contract was approved with the architectural firm Alley Poyner Macchietto, Architecture, P.C. for the design of a Natural Resources Service Center in Blair in Washington County. The services to be provided by Alley Poyner Macchietto included a range of architectural and engineering services from design development through construction administration. These services include architecture, mechanical engineering, electrical engineering and structural engineering. The contract was approved for \$148,000 (\$120,000 base fee and \$ 28,000 for Leadership in Energy and Environmental Design (LEED) certification) plus reimbursable expenses not to exceed \$15,000. A copy of the memo to the PPO Subcommittee in which P-MRNRD management recommends approval of a contract with Alley Poyner Macchietto is attached. When completed the facility will house the Natural Resources Conservation Service (NRCS), the Farm Service Agency (FSA), the P-MRND Field Office personnel, and Rural Water.

Since the approval of this contract a number of factors have led to a request from the architect's for additional professional services fees. Following the approval of a contract, which called for the design of a 9,500 gross square foot facility; the NRCS requested that additional office space be included in the facility for their Wetland Team that is currently housed in Syracuse. Space for the additional 6 or 7 NRCS personnel increased the size of the facility to 10,125 square feet, and required the revision of the floor space design and also led to additional planning meetings with the agencies involved.

The contract with the architects included \$28,000 for design work necessary for the facility to be Certified at a LEED "Silver" level. The architects completed the design work for the environmental features that would result in a "Silver" rating, however, after this work was completed, the LEED point system was changed and more points were needed to reach the "Silver" level, which resulted in additional design work in order to reach that level. The Board ultimately decided not to seek the official LEED Certification, the cost of which would have been \$9,000. This reduced the architectural fees by that amount.

The District received the Solicitation for Offers (SFO) from the NRCS in January, 2010. The SFO contained the specifications for the building, the requirements for submitting the lease request and the documentation required of the District. Some of the specifications for building features required by the NRCS were features that were not planned for, nor were they anticipated during the design work done thus far. Some of them were related to building security. These requirements are shown in the breakdown of costs in the letter (attached) from Michael Alley. They resulted in increased construction costs and an increase in the design work required.

During the process of designing the facility, but in particular during the planning process, the NRCS and FSA requested revisions in the plans and designs, some of which were extensive. In fact they did not make a final approval of the floor plan until after a lease agreement was approved.

Further clarification and explanation of the request for additional professional services fees are contained in the attached letter from Michael Alley, of Alley Poyner Macchietto Architecture. Their request is that their contract for \$148,000 be increased by \$9,090 to \$157,090.

- **Management recommends that the Program, Projects and Operations Subcommittee recommend to the Board of Directors that the professional services fees of Alley Poyner Macchietto Architecture be increased from \$148,000 to an amount not to exceed \$157,090.**

MEMORANDUM

TO: Washington County Service Center
Ad Hoc Consultant Selection Subcommittee

SUBJECT: Contract for Professional Services with Alley Poyner Macchietto Architecture, P.C.

DATE: May 7, 2009

FROM: Ralph Puls, Land/Water Programs Coordinator, Michael Alley, Alley Poyner Macchietto,
George Morrissey, Morrissey Engineering

On March 3, 2009, the Washington County Service Center Ad Hoc Subcommittee interviewed and selected Alley Poyner Macchietto with which to negotiate a professional services contract to design and construct a Natural Resources Center office building in Blair, Nebraska. The approximately 9,500 gross square foot facility would provide office space for the Natural Resources Conservation Service (NRCS), Farm Service Agency (FSA), Papio-Missouri River Natural Resources District (P-MRNRD) Field Office staff and Rural Water personnel. Attached is a listing of the office space needs for each entity. District staff and Alley Poyner Macchietto have negotiated the attached Agreement containing the Scope of Services, time frame, and a cost estimate for the services requested.

Leadership in Energy and Environmental Design (LEED) and Energy Star principles and criteria will be used to maximize the environmental features utilized in the facility. A point system is used for LEED (attached checklist) that lists the number of points needed to qualify for certification. A Silver or higher LEED score (33-38 points) is the goal. To achieve this goal, a number of costs will be incurred, up to \$90,000 or more, costs not covered in the estimated \$1,425,000 basic building cost (\$150 per square foot).

Pending approval of this Agreement, Alley Poyner Macchietto will provide a range of architectural and engineering services from design development through construction administration. Those services would include architectural, mechanical engineering, electrical engineering and structural engineering. The total fee for this work has been negotiated at \$148,000 (\$120,000 base fee and \$28,000 LEED certification), plus reimbursable expenses not to exceed \$15,000.

Attached is a matrix that shows a comparison of estimated architect fees and building costs for varying levels of LEED certification. The recommended architect contract is for a certified LEED Silver rated building. As noted on the matrix, for example, architect fees could be reduced by \$9,000 if the actual LEED certification (documentation and paperwork) were not pursued.

The architect will be responsible for the selection of firms to do the on-site surveys and the geotechnical investigation. This work will be separate from the architectural agreement and will be paid for by the P-MRNRD; estimated cost is \$8,000.

Management recommends that the Subcommittee recommend to the Board that the General Manager be authorized to execute a professional services contract with Alley Poyner Macchietto Architecture, P.C., for the Washington County Service Center Office Building for a fee of \$148,000 plus reimbursable expenses not to exceed \$15,000, subject to changes deemed necessary by the General Manager and approval as to form by District Legal Counsel.

October 27, 2010

Mr. Ralph Puls
Papio-Missouri River NRD
8901 S. 154th Street
Omaha, NE 68138

Re: Additional Services for Papio-Missouri NRD Blair Service Center

Dear Mr. Puls,

At the Subcommittee meeting on May 12, 2009 we made a presentation of our estimated costs for incorporating sustainability strategies into the design of the Blair Service Center project. At that meeting we distributed a LEED checklist with pre-design estimates for meeting different levels of certification broken down into hard costs for construction and soft costs for design and implementation. At that time we estimated that our design soft costs for designing the lowest "certified" building would cost in the range of \$26,500 and "Silver" in the range of \$36,920. As you know, our Agreement required us to design the building to be "certifiable" at the Silver level. The Board did not reach a consensus regarding whether the building should be registered with the USGBC-LEED program so we were not authorized to spend the registration fee, which would have locked the project into LEED 2.0 requirements. During the design phase of the Blair Service Center project the USGBC introduced LEED 2009 which increased the number of points required to reach "Silver" certification. As a result, many of the design components that were "optional" under the earlier system became "required" in order to reach the "Silver" point requirement. The majority of the design cost was used to design the geothermal HVAC system and the storm water retention system. The remainder was used in making building design modifications for these systems. Our contract required us to design the building "...with the ability to score enough points to achieve a Silver LEED rating or better". The additional design work was authorized and completed even though the Board ultimately chose not to certify the building.

In addition to this work there were several other design scope changes including an increase of the building size and changes required for the FSA/NRCS lease. Additionally, the design team was asked to review documents, provide information and update design drawings relating to the NRCS lease. A specific breakdown of fees is listed below.

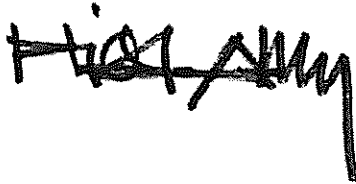
PAPIO NRD - TOTAL PROJECT COSTS AND FEES				
	square feet programmed	square feet approved	cost	8.5% Fee
BASE BUILDING AND SITEWORK COSTS				
(Original Contract/Fee Amount)	9,115 SF		1,412,250	120,041.25
ADDITIONAL COSTS				
Additional approved SF	710 SF	10,125	110,050	9,354.25
Mechanical Mezzanine/roof ladder/stair/green items/lease coordination etc	750 SF		47,700	4,054.50
on-site water retention			27,000	2,295.00
geo-thermal HVAC system			67,000	5,695.00
sprinkler system			50,000	4,250.00
window film (for FSA/NRCS lease)			10,000	850.00
window coverings (for FSA/NRCS lease)			10,000	850.00
storm shelter (100 SF @ \$25/SF)			20,000	1,700.00
NRCS Lease Design Approval Assistance				8,000.00
SUBTOTAL ADDITIONAL COSTS AND FEE			341,750	37,048.75
TOTAL BUILDING COSTS AND FEE			1,754,000	157,080.00

Additional Services for
Papio-Missouri NRD Blair Service Center
October 27, 2010
Page 2

All of the work listed above has been complete and is included in the project. The NRCS lease assistance is based on approximately 80 hours of time spent on various activities required for the signing of the lease.

Please let me know if you have any questions. We appreciate the opportunity to assist you with this project and we're excited to break ground and see your building come to fruition.

Sincerely,
ALLEY POYNER MACCHIETTO ARCHITECTURE, P.C.

A handwritten signature in black ink, appearing to read "Michael D. Alley". The signature is stylized and somewhat cursive, with a long vertical stroke at the end.

Michael D. Alley, AIA, NCARB
Principal