PUGET SOUND ENERGY

# Facilities Enterprise Master Plan
# SOUTH KING COMPLEX TENANT IMPROVEMENT – PHASE I Addendum

*Implementation Plan*

**2016 - 2017**

CURRENT OWNER: Clay Wallace

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# Section 1. Document Revision History and Chronological Summary

## 1.1. Document Revision History

| Revision | Date | Description | Phase |
|---|---|---|---|
| 0.0 | 08/01/15 | Initiate Project based on 2015 CSA approval; align with Master Plan development and directional decisions | Project Plan Development |
| | 06/07/16 | Requested proposal for Architectural & Engineering Design Services; executed A&EDesign Services Contract | Project Plan Development |
| 0.1 | 06/10/16 | Project Planning 100% complete | Project Plan Development |
| **1.0** | | **Approved Initiation to Planning (Gate 2) Phase Gate CSA PIP- Gate Approval was not implemented, already complete.** | **Project Design Phase** |
| 1.1 | **07/5/16** | Issued RFP for RBM-Abatement/Demolition Services; made selection; executed RBM-Abatement/Demolition Services Contract | Procurement & Contracting |
| **2.0** | **07/6/16** | **Approved Planning to Design (Gate 3) Phase Gate PCR PIP** | **Project Execution Phase** |
| 2.2 | 10/31/16 | Issued RFP for General Contractor; made GC selection; executed Pre-construction Services & Construction Services Contract | Procurement & Contracting |
| **3.0** | **12/22/16** | **Approved Design to Execution (Gate 4) Phase Gate PCR PIP** | **Construction Phase** |
| **4.0** | | **Approved Execution to Close- Out (Gate 5) PCR PIP** | **Project Close/ Hand over to BU7** |

## 1.2. Chronological Summary

### 2016

Master Plan Alternative 3 implementation: South King County (SKC) Tenant Improvements - Design, Permitting, and Construction with occupancy to occur in early 2017.
Coordinate with and proceed with SKC Tenant Improvements after aligning with and incorporating the new workspace/workplace model, office environment and standards supporting flexibility, mobility, and differing work styles and options recommended in the 2016 CBRE Workplace Strategy report; as approved early June 2016 by executives.
Utilize PSE owned versus leased facilities where possible as part of the Master Plan Strategy, which includes the recent authorization to purchase SKC in June 2016.

Since early 2016, the Project's SKC tenant space was emptied of stored furniture inventory which was moved to an enlarged furniture storage area within existing SKC annex warehouse adjoining the existing SKC furniture warehouse; documented existing tenant space conditions; developed conceptual space use and a floor plan design aligned with Master Plan workplace/workspace/workstation recommendations and newly developed proposed facility space standards; performed a regulated building materials (asbestos/lead) survey: issued RFP's and contracted for facility condition assessment services, land survey services, geotechnical services, and demolition/abatement services; contracted for architectural planning and design services to include engineering and specialty support services such as electrical (e), structural (s), mechanical (m), plumbing (p), civil, and acoustics, etc.

### 2015

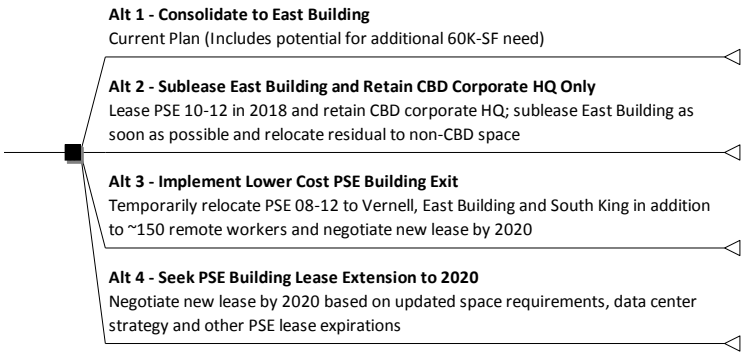
Several planning assumptions changed, prompting review of the approved 2014 consolidation plan and assessment of additional alternatives. Specifically,

- Service Provider Alignment (SPA) staffing net additions and relocations
- New IT staffing requirements to support FTIP, EIM and overall five-year plan scalability needs
- Energize Eastside project staffing ramp-up
- Need for IT infrastructure uplift to support wide-scale Advanced Workplace Strategy (AWS) implementation – not included in 2014 CSA
- Potential softening of Bellevue/Eastside commercial real estate market

In identifying potential alternatives, Corporate Facilities met with each officer and his/her direct reports to update and validate planning assumptions and ensure alignment on approach and methods to be employed in development of an Enterprise Facilities Master Plan (aka "Master Plan"). The following objectives emerged from these discussions:

- Effectively engage the business in planning and implementation processes
- Optimize use of existing assets – owned and leased
- Significantly reduce near-term cash outlays and budget pressure
- Create improved market optionality and competition
- Introduce Advanced Workplace Strategy elements – specifically, remote workplaces – in a systematic and measured manner with accompanying/enabling IT support

Corporate Facilities engaged the services of a commercial real estate brokerage and consultancy, and identified potential alternatives for consideration in the support of Master Plan development. The figure below depicts the alternatives considered most viable.




May 2015, the Officer Team approved advancement of **Alternative 3 – Lower Cost PSE Building Exit**, a revised and interim consolidation of employees from the PSE Building into the East Building and other corporate facilities. Alternative 3 was approved in lieu of the Campus Consolidation Project as envisioned in 2014 in order to:

- Improve decision optionality and create more value for PSE's customers
- Create improved negotiating leverage based on changing market conditions
- Defer significant cash outlay and optimize future timing balanced against other corporate funding priorities, further benefiting PSE's customers through reduced upward revenue requirement pressure
- Allow time for the "dust to settle" on SPA and other corporate initiatives in order to determine longer-term space requirements in conjunction with AWS/remote workplace objectives
- Potentially integrate longer-term needs such as data center strategy (under development) and leases expiring in the early 2020s

Alternative 3 does not preclude implementation of the PSE Campus Consolidation Project and realization of savings as identified and quanitified in the 2014 business case. Rather, Alternative 3 defers by four years approximately two-thirds (~$25 million) of the investment necessary to consolidate the Bellevue campus and provides the Company opportunity to achieve further cost reductions through an improved competitive process.

### 2014

Corporate Facilities submitted the PSE Campus Consolidation Project CSA, which was subsequently approved and served to consolidate PSE Building employees into the East Building and other select company buildings prior to PSE Building lease expiration in 2018.

### 2012 - 2013

Ideation and preliminary PSE Campus Consolidation options were evaluated including financial analyses of each option. Facility Services developed eight options to reduce/vacate the Bellevue Campus. These options ranged from the status quo of renewing the current leases to buying property and developing a new campus. Ideation and preliminary options evaluation were completed in 2013 and early 2014.

# Section 2. Project Overview

## 2.1. Purpose:

Utilize PSE leased (2013) and vacant ICON tenant space (northwest corner) at South King Complex (SKC) to provide additional office, collaboration, and support spaces aligning with the 2015 amended 2014 PSE (Bellevue) Campus Consolidation Project's approved 2015 Alternative 3 – Implement Lower Cost PSE Building Exit in order to:

- Improve decision optionality and create more value for PSE's customers
- Create improved negotiating leverage based on changing market conditions
- Defer significant cash outlay and optimize future timing balanced against other corporate funding priorities, further benefiting PSE's customers through reduced upward revenue requirement pressure
- Allow time for the "dust to settle" on SPA (new C&SP organization) and other corporate initiatives in order to determine longer-term space requirements in conjunction with Advanced Workplace Strategy (AWS) / Remote Workplace Options (RWO) objectives
- Potentially integrate longer-term needs such as data center strategy (under development) and leases expiring in the early 2020s

### Project Objectives:

1. Design, permit, and construct and furnish tenant improvements for the approximately 26,000 square foot vacant ICON space, providing 145+ workstations and collaboration spaces. The improved tenant space will be structurally strengthened to withstand seismic events (earthquakes), protected with fire protection systems, outfitted with latest telecommunication and network systems, emergency (power and communications) backup system, and comply with current Building, Energy and Fire Codes and the standards of the Americans with Disabilities Act (ADA).
2. Installing new or enhanced building systems including; security, heating, ventilating and air conditioning (HVAC), plumbing.
3. Provide a safe, efficient and comfortable work environment for employees, customers and service providers.
4. Design, permit and construct new 130+ stall parking lot on the west/northwest side of the building and connect to the existing north and west parking lots.
5. Design, permit and construct other improvements such as an outdoor patio and pedestrian walkways.

## 2.2. Need Statement:

The Bellevue campus houses approximately 1,100 employees and consultants/contractors in various departments and business units, located on 5 floors in the PSE Building and 11 floors in the East Building, encompassing approximately 363,000 square feet of leased space. This is the most costly space leased by PSE on a square foot basis. PSE also pays for employee parking at the Bellevue campus. The current leases terminate in 2018 for the PSE Building and 2020 for the East Building, unless renewed (wholly or partially). It is anticipated that

renewed leases and parking costs are expected to be higher than they are currently and to increase year-over-year during the lease term.

The PSE Bellevue Campus Consolidation Project, as amended, lowers our future lease costs in the near term by reducing the amount of leased space at the Bellevue campus by relocating 200 to 700 employees and consultants to non-Bellevue Campus locations. Additional savings will be achieved by several means including implementing AWS/RWO, utilizing other existing PSE facilities, both owned and those with lower cost leases, within PSE's central Puget Sound service area, such as SKC, and by creating new space-efficient work space and work place environments.

## 2.3. Benefits:

### Quantitative

1. The Project's tenant improvements partially satisfy the need described in 2.2 above by providing the necessary additional office and support spaces at SKC, allowing removal of 145 or more employees and consultants/contractors from the Bellevue Campus thus eliminating about 45,000 square foot (2 floors) of lease space.
2. The Project will use new workstation standards which are from 38% to 60% less in area than current standard which being more efficient, will reduce the overall workstation square footage, or footprint.

### Qualitative

1. Aligns with PSE Facilities Enterprise Master Plan and Work Place (mobility/flexibility) Strategy – PSE@Work.
2. Incorporates new work space standards offering more meeting rooms of varying sizes and different types of meeting and collaborative spaces.
3. Provides workstations that are more ergonomic for improved comfort and wellness benefits to employees.
4. Eliminates commuting to Bellevue for many employees allowing working closer to their homes; providing better work-life balance.
5. Provides a safe, efficient, comfortable, modern and future-looking work environment to attract new and future employees and help retain current employees.

## 2.4. Planner's Assumptions:

1. Permits can be obtained for the tenant space improvements.
2. Permits can be obtained for the associated new parking lot improvements.

## 2.5. Alternatives

1. Keep same lease space in Bellevue and renew the Bellevue Campus leases. O&M costs would increase for the leased square footage and future higher lease and parking costs.
2. Lease space and/or purchase a building and make tenant improvements elsewhere than Bellevue Campus or SKC. This alternative would be more costly than the SKC project.

## 2.6. Scope:

### At Gate 2

1. Complete due diligence efforts including Facility Condition Assessment.
2. Perform land survey and geotechnical investigation.
3. Pursue purchase of the SKC property. Note: This is an independent track and effort and the SKC TI Project is not dependent on a purchase.
4. Demolish existing old tenant improvements and abate regulated building materials and asbestos containing materials in the Project's tenant improvement area.
5. Finalize tenant space schematic design plans.

### At Gate 3

1. Develop the tenant space schematic design and outdoor amenities to include architectural and structural & mechanical/electrical/plumbing engineering detail.
2. Produce building (tenant improvement) permit drawings and submittal package.
3. Develop and engineer the parking lot low-impact development (LID) design including drainage and associated landscaping.
4. Produce site development/civil (parking lot) permit drawings and submittal package.
5. Issue SOQ/RFP for Pre-Construction and General Contractor Construction Services including pricing/subcontractor bidding, and select and contract with the general contractor.
6. Complete construction drawings and documents.
7. Obtain material and labor prices/bids from general contractor and from their subcontractors.
8. Obtain the building/tenant improvement and site development permits.

### At Gate 4

1. Construct the Phase 1 improvements at SKC.

At Gate 5

1. Construction Project Close Out and Hand Over to BU7.

## 2.7. Project Assumptions:

1. All permits can be obtained from permitting agencies.
2. No unusual, unknown or hidden conditions or unidentifiable hazardous materials are encountered which could interfere with or delay the project and/or impact the project schedule.

## 2.8. Project Constraints:

1. An addendum to existing City of Kent occupancy/use certificate will be required or a new City of Kent occupancy/use certificate may be required.
2. Maintain continued PSE operations at SKC during and throughout the construction period.
3. Site (outside) grading work may be limited or restricted during the rainy season.
4. Limited onsite parking for construction workers.

5. Limited access points to site and to building, limited outdoor staging areas, and restricted load/unload area for material.
6. Material lead time

# Section 3. Budget and Schedule Milestones

## 3.1. Estimated Budget

**Assumptions:**

1. Based historical and recent PSE Facility Services projects (closed out and bid) costs.
2. Cost opinion prepared by Facility Project Managers in 2015 and updated in 2016 allowing for construction market/bid conditions, PSE internal overheads and markups.
3. IT cost estimates provided by IT/Infrastructure & Telecommunications, and Security cost estimates provided by Corporate Security in 2015.
4. Furniture cost estimates provided by Facility Services Space Planners in 2015.
5. Current cost estimate opinion carries a 10% contingency.

| Planning Estimate | | | | | | |
|---|---|---|---|---|---|---|
| | Actual Costs through 2015 | Current Year 2016 | 2017 | 2018 | 2019+ | Total Lifetime |
| Capital | $0 | $7,000,000 | $0 | $0 | $0 | $7,000,000 |
| Expense | $0 | $350,000 | $0 | $0 | $0 | $350,000 |
| **Planning to Design Phase Gate Project Team Baseline Estimate** | | | | | | |
| | Actual Costs through 2015 | Current Year 2016 | 2017 | 2018 | 2019+ | Total Lifetime |
| Phase (at year end) | *Development* | *Construction* | *Construction* | | | |
| Capital | $0 | $6,000,000 | $1,000,000 | $0 | $0 | $7,000,000 |
| Expense | $0 | $330,000 | $20,000 | $0 | $0 | $350,000 |
| | | | | | | |
| Estimate to Completion (ETC) | | $7,000,000 | | | | |
| Risk Contingency | | $350,000 | | | | |
| **Note: Estimate accuracy is $5.3M - $10.5M (-25% to +50%) based on ETC** | | | | | | |

| Design to Execution Phase Gate Project Estimate | | | | | | |
|---|---|---|---|---|---|---|
| | Actual Costs through 2015 | Current Year 2016 | 2017 | 2018 | 2019 | Total Lifetime |
| Phase (at year end) | | *Procurement* | *Construction* | | | |
| Capital | | $6,000,000 | $1,000,000 | | | $7,000,000 |
| Expense | | $330,000 | $20,000 | | | $350,000 |
| | | | | | | |
| Estimate to Completion (ETC) | | $7,000,000 | | | | |
| Risk Contingency | | $700,000 | | | | |
| Note: Estimate accuracy is $6.3M - $8.1M (-10% to +15%) based on ETC | | | | | | |

| Execution to Close-out Phase Gate Project Estimate | | | | | | |
|---|---|---|---|---|---|---|
| | Actual Costs through 2015 | Current Year 2016 | 2017 | 20XX | 20XX | Total Lifetime |
| Phase (at year end) | | *Procurement* | *Construction* | | | |
| Capital | | | | | | $0 |
| Expense | | | | | | $0 |
| | | | | | | |
| Estimate to Completion (ETC) | | $0 | | | | |
| Risk Contingency | | $0 | | | | |
| Note: Estimate accuracy is $X - XM (-2% to +5%) based on ETC | | | | | | |

### 3.2. Milestones and Deliverables

| Milestones and Deliverables | Description | Schedule Baseline Date | Updated Schedule Date | Approximate Date |
|---|---|---|---|---|
| | Feasibility | 2016 | | 2016 |
| | Property Purchase | N.A. | | N.A. |
| | Develop Project Plan | 2016 | | 2016 |
| | Detailed Design | 9/30/2016 | 12/30/2016 | |
| | Pricing & Permitting | 10/14/2016 | 12/26/2016 | |
| | Construction - Interior | 3/24/2017 | 6/2/2017 | |
| | Construction - Exterior | 7/28/2017 | 9/22/2017 | |
| | Commissioning Complete | 3/24/2017 | 3/24/2017 | |
| | Project Close-Out Complete | 9/30/2017 | 12/22/2017 | |

# Section 4. Permitting and Real Estate Strategy

## 4.1. Permitting Jurisdictions Impacted

1. City of Kent
2. King County

## 4.2. Permits Needed

1. Puget Sound Clean Air Agency Permit
2. Demolition Permit with Asbestos Abatement (PSCAA)
3. Commercial Building - Tenant Improvement Permit (City of Kent)
4. Mechanical Permit (City of Kent)
5. Plumbing Permit (City of Kent)
6. Electrical Permit (City of Kent)
7. Low voltage Permit (City of Kent)
8. Fire Permit (City of Kent)
9. Civil Construction Permit (City of Kent)
10. Grade and Fill Permit (City of Kent)
11. Flood Zone Permit (City of Kent)

## 4.3. Permitting Special Considerations

None

## 4.4. Easements Needed

None

## 4.5. Condemnation

None

## 4.6. Real Estate Special Considerations

None

## 4.7. External Consultants

Meng Analysis (Facility Condition Assessment)

JPC Architects and Consulting Engineers

Pacific Rim Environmental. Inc.

Tetra Tech (Land Survey & Geotechnical)

Dickson Company (Demolition & Abatement Contractor)

Turner Construction (General Contractor)

# Section 5. Communications Strategy

## 5.1. Project External Stakeholders

1. City of Kent; for the permit process including notification of adjacent property owners (if required) and for the City's construction inspection requirements and final sign-off.

## 5.2. Public Relations/Corporate Communications Strategy

1. Jurisdictional Requirements (what issues might arise as a result of building in that jurisdiction); expect issues to be very minimal as this is a standard/normal construction project.
2. Develop communications plan for internal customers PSE business units and service providers and to include current and future occupants (when known). Communications plan will include weekly project status update reporting, communicated via email to facility occupants and business unit's management.
3. Complete CCW (Change Characteristics Worksheet). Address/comply with OCM (Organizational Change Management) guidelines in communicating with affected employees and internal/external stakeholders.

## Section 6. Coordination with Other Projects

Coordination with other projects not applicable, expect as may be needed for the Facilities Real Estate (Portfolio) Master Plan effort of which this Project's PIP is a part, or for planning of future related projects at SKC.

# Section 7. Summary of Risk Assessment and Mitigation Plan

## 7.1. Risks and Opportunities

### Permitting Risk

There is very limited permit risk, other than Authority Having Jurisdiction workload which could impact the start of construction.

### Construction Risk

Construction market and pricing conditions in the central Puget Sound area are experiencing escalations which may result in increased costs.

Unforeseen subsurface conditions may result in construction delays and increased construction costs.

Unusual weather conditions, such as above average rainfall and/or storms, may impact construction affecting schedule and costs.

Labor disputes and material availability issues may affect the project outcome in terms of schedule slippage and/or higher costs.

## 7.2. Mitigation Plan

### Permitting Mitigation

Permit activities will be closely coordinated by the Architect, Civil and MEP Engineers. Permit Applications will be submitted towards the end of the construction document phase to allow for early review by the AHJ. Many permits (electrical, mechanical, plumbing, low-voltage) are over-the-counter, and fire protection permits will be part of the contractors design-build scope.

### Construction Mitigation

Construction market and pricing conditions in the central Puget Sound area are experiencing escalations which may result in increased costs.

A geotechnical subsurface exploration will be conducted to identify subsurface conditions which will mitigate potential construction delays and increased construction costs due to unforeseen subsurface conditions. Geotechnical engineer will also be onsite during construction to observe excavation work and any unusual soil conditions encountered to provide quick assessment and recommendations.

Work is being performed inside so unusual weather conditions, should not impact construction, and outdoor work will be performed during the typically drier seasonal periods – late summer and early fall.

Labor disputes are anticipated to be of low probability. Moving to construction quickly after pricing to lock in quotes, and working closely with the contractor team on regionally sourceable materials with timely and early material ordering where possible will mitigate schedule slippage and/or higher costs.

## Gate(s) 1, 2 and 3: Approved By:

Asset Manager
Joel Molander /
Wayne Gould _____ Date 28 Dec 2016

Facilities Project Manager
Larry Hurwitz _____ Date 1.4.17

IT Project Manager
David Caldwell _____ Date 1/3/17

Corp Security Project Manager
Glen Harston _____ Date 12/29/2016

# Addendum 1 – Gate 4 – Construction

## Section 1.1 – Budget and Schedule Milestones:

### 1.1 – 1 Budget:

| Design to Execution Phase Gate Project Estimate | | | | | | |
|---|---|---|---|---|---|---|
| | Actual Costs through 2015 | Current Year 2016 | 2017 | 2018 | 2019 | Total Lifetime |
| Phase (at year end) | | *Procurement* | *Construction* | | | |
| Capital | | $2,400,000 | $11,000,000 | | | $13,400,000 |
| Expense | | $100,000 | $250,000 | | | $350,000 |
| | | | | | | |
| Estimate to Completion (ETC) | | $13,400,000 | | | | |
| Risk Contingency | | $1,340,000 | | | | |
| Note: Estimate accuracy is $12.1M - $15.4M (-10% to +15%) based on ETC | | | | | | |

The original total project cost was estimated to be $7M CapEx (including sales tax). The new updated project cost is estimated at $13.4M CapEx. This is partially based on actual contractor pricing/bidding. The OMRC project cost of $350,000 is unchanged from that shown in the REV 1 PIP.

Of the $13.4M, it is forecast that $2.4M may be spent in 2016, and the remaining $11.0M will be spent in 2017.

The project's 2016 budget will be underspent by about $4.1M. The approved 2017 budget for the Master Plan which includes SKC is ???? and it may not accommodate the required estimated spend for SKC in 2017.

This is a significant cost increase mostly attributable to: 1) originally underestimating the interior improvement costs (in 2015) using incorrect historical cost factors, 2) underestimating the extent of asbestos abatement/demolition and necessary system replacement/upgrades, 3) setting the project contingency too low early on during the ideation and design phases to account for further design/engineering refinements and

development, and 4) changes in the construction bid climate resulting in higher prices and contractor bids.

Another factor contributing to the increased cost is a change in the approach to the improvements needed for the SKC facility. This occurred as a result of the purchase of SKC by PSE rather than remaining a tenant and leasing the facility. As the new owner, and after conducting pre-purchase due diligence including a thorough Facility Condition Assessment and accounting for the facility's age, more substantial improvements to the infrastructure including incremental replace of major systems are determined to be warranted and required.

Some mitigation of the increased SKC TI project cost is possible, perhaps lowering the cost $1M to $1.75M, maybe $2M if aggressively pursued. This would involve scaling back or reducing the interior and exterior improvements scope, eliminating scope, or deferring some scope to a future time.

## 1.1 – 2 Schedule Milestones:

| Milestones and Deliverables | Description | Schedule Baseline Date | Updated Schedule Date | Approximate Date |
|---|---|---|---|---|
| | Feasibility | 2016 | | 2016 |
| | Property Purchase | N.A. | | N.A. |
| | Develop Project Plan | 2016 | | 2016 |
| | Detailed Design | 09/30/2016 | 12/30/2016 | |
| | Pricing & Permitting | 10/14/2016 | 12/26/2016 | |
| | Construction - Interior | 12/29/2016 | 05/24/2017 | |
| | Construction - Exterior | 06/28/2017 | 09/22/2017 | |
| | Commissioning Complete | 05/17/17 | 05/24/17 | |
| | Project Close-Out Complete | 09/30/2017 | 12/22/2017 | |

# Section 1.2 – Permitting and Real Estate Strategy:

## 1.2– 1 Permitting:

### 1.2 -1.1 Permitting Jurisdictions Impacted

1. City of Kent
2. King County

### 1.2-1.2 Permits Needed

1. Puget Sound Clean Air Agency Permit
2. Demolition Permit with Asbestos Abatement (PSCAA)
3. Commercial Building - Tenant Improvement Permit (City of Kent)
4. Mechanical Permit (City of Kent)
5. Plumbing Permit (City of Kent)
6. Electrical Permit (City of Kent)
7. Low voltage Permit (City of Kent)
8. Fire Permit (City of Kent)
9. Civil Construction Permit (City of Kent)
10. Grade and Fill Permit (City of Kent)
11. Flood Zone Permit (City of Kent)

### 1.2-1.3 Permitting Special Considerations

None

### 1.2-1.4 Easements Needed

None

### 1.2-1.5 Condemnation

None

### 1.2-1.6 Real Estate Special Considerations

None

### 1.2-1.7 External Consultants

Meng Analysis (Facility Condition Assessment)

JPC Architects

Pace Engineers (Civil Engineer)

DCI Engineers (Structural Engineer)

Hargis Engineering (Mechanical / HVAC / Electrical)

Stantec (Acoustical)

Pacific Rim Environmental. Inc.

Tetra Tech (Land Survey & Geotechnical)

Dickson Company (Demolition & Abatement Contractor)

Turner Construction (General Contractor)

Emerald City Moving

## 1.2– 2 Real Estate Strategy:

### 1.2-2.1 Purchasing of South King Facility

Purchased on 08/31/16

The purchase of SKC by PSE rather than remaining a tenant and leasing the facility evolved to become an important part of the PSE Facilities Master Plan and Real Portfolio Management Strategy. After conducting pre-purchase due diligence including a thorough Facility Condition Assessment and accounting for the facility's age, more substantial improvements to the infrastructure including incremental replace of major systems and seismic upgrades were determined to be warranted and necessary. Incremental portion of the infrastructure improvements have been incorporated into the SKC TI – Phase I Project

# Section 1.3 – Communication Strategy:

### 1.3-1.1 Project External Stakeholders

1. City of Kent; for the permit process including notification of adjacent property owners (if required) and for the City's construction inspection requirements and final sign-off.

### 1.3-1.2 Public Relations/Corporate Communications Strategy

1. Jurisdictional Requirements (what issues might arise as a result of building in that jurisdiction); expect issues to be very minimal as this is a standard/normal construction project.
2. Develop communications plan for internal customers PSE business units and service providers and to include current and future occupants (when known). Communications plan will include weekly project status update reporting, communicated via email to facility occupants and business unit's management.
3. Complete CCW (Change Characteristics Worksheet). Address/comply with OCM (Organizational Change Management) guidelines in communicating with affected employees and internal/external stakeholders.

## Section 1.4 – Coordination with Other Projects:

Coordination with other projects not applicable, expect as may be needed for the Facilities Real Estate (Portfolio) Master Plan effort of which this Project's PIP is a part, or for planning of future related projects at SKC.

## Section 1.5 – Summary of Risk Assessment and Mitigation Plan:

Any current scheduling delays are not presenting any additional risks or further slippage in the future that would drastically impact the project.

## Approved By:

Asset Manager
**Joel Molander / Wayne Gould** _____ Date 28 Dec 2016

Facilities Project Manager
**Larry Hurwitz** _____ Date 1-4-17

IT Project Manager
**David Caldwell** _____ Date 1/3/17

Corp Security Project Manager
**Glen Harston** _____ Date 12/24/2016

# Appendices (Updated: 12/16/2015)

# Appendix A. Project Team

**SOUTH KING COMPLEX (SKC) 2016 TI**
Street Address: 6905 South 228th Street, Kent, WA 98032
Project Address: 6819 South 228th Street, Kent, WA 98032

**PROJECT CONTACT LIST** as of: 15-Dec-16

| PSE | Name | Office Phone | Mobile | Email | Notes |
|---|---|---|---|---|---|
| Corporate Shared Services Director | Joel Molander | 425-457-5335 | 425-765-8002 | joel.molander@pse.com | |
| Facilities Director | Wayne Gould | 425-462-3429 | 425-765-1953 | wayne.gould@pse.com | |
| Facility Services Manager - Planning | Larry Hurwitz | 425-462-3290 | 206-604-5114 | larry.hurwitz@pse.com | |
| **Facilities Project Manager** | **Clay Wallace** | 425-456-2863 | 425-691-7519 | clay.wallace@pse.com | |
| Facilities Project Manager (backup) | Paul Wu | 425-462-3008 | 425-503-2182 | paul.wu@pse.com | |
| Facilities Project Coordinator | Mary Clyde | 425-457-5890 | 425-256-1588 | mary.clyde@pse.com | |
| Facilities Space Planner | Kathy Clark | 425-462-3775 | 425-210-1229 | kathy.clark@pse.com | |
| Facilities Space Planner | **Michael Crum** | 425-456-2153 | 206-915-9729 | michael.crum1@pse.com | |
| Facilities Sr. Engineer - Electrical | **David Babbitt** | 425-462-3555 | 425-736-6891 | david.babbitt@pse.com | |
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| Facilites Services Coordinator | Milan Balvircak | 425-462-3161 | 425-457-4090 | milan.balvircak@pse.com | |
| I.T. Tech Analyst - Project Manager | **David Kuria** | 425-688-7250 | 425-218-5226 | david.kuria@pse.com | |
| I.T. Program Manager | Dave Caldwell | 425-462-3708 | 425-985-1135 | david.caldwell@pse.com | |
| I.T. Manager - Infrastructure | Carolyn Danielson | 425-895-7066 | 425-223-1336 | carolyn.danielson@pse.com | |
| I.T. Facilities Infrastructure Engineer | Ben Barr | 425-867-7386 | 425-499-2846 | benjamin.barr@pse.com | |
| Sr. Network Engineer | Anbar (Andy) Dirir | 425-895-7056 | 206-816-2240 | anbar.dirir@pse.com | |
| Sr. Telecommunications Engineer | David McKinnon | 425-895-7024 | 206-818-8847 | david.mckinnon@pse.com | |
| Voice Engineer | Zach Fuentes | 425-895-7016 | 425-582-1460 | zachary.fuentes@pse.com | |
| End User Support - Desktop | Quang Vu | 425-456-2224 | 425-503-7971 | quang.vu@pse.com | |
| I.T. Manager - Server | Fred Atkinson | 425-456-2424 | 425-681-0383 | fred.atkinson@pse.com | |
| Procurement/Purchasing - Contracting | **Cathy Lorentz** | 425-398-6184 | | cathy.lorentz@pse.com | |
| LES - Corporate Security | **Marty Prough** | | 253-579-4864 | marty.prough@ltdes.com | |
| | Phillip Moran | | 253-569-9555 | phill.moran@ltdes.com | |
| Corporate Security Project Manager | **Glen Harston** | 425-456-2625 | 425-766-2897 | glen.harston@pse.com | |
| | | | | | |
| **Internal/Affected PSE Customers** | Material Planning & Distribution | | | | |
| | *John Olson* | 253-395-6880 | 253-350-3053 | john.olson@pse.com | |
| | *Brenda Campbell* | 253-395-6916 | 206-391-8368 | brenda.campbell@pse.com | |
| | *Jim Pruchnic* | 253-395-6889 | | james.pruchnic@pse.com | |
| | | | | | |
| | | | | | |
| **Other PSE Employees** | | | | | |

| CONSULTANTS | Name | Office | Mobile | Email | Notes |
|---|---|---|---|---|---|
| Architect (JPC Architects) | | | | | |
| Principal In Charge | Ann Derr | 425-641-9200 | | annd@jpcarchitects.com | |
| Project Manager (JPC) | Marty Grube | 425-641-9200 | 206-484-0981 | marting@jpcarchitects.com | |
| Project Architect (JPC) | Becky Dail | 425-641-9200 | | beckyd@jpcarchitects.com | |
| Furniture (JPC) | Phil Logsden | 425-641-9200 | | phill@jpcarchitects.com | |
| | | | | | |
| Civil Engineer - Pace Engineers | Phil Cheesman | 425-827-2014 | | philc@paceengrs.com | |
| Structural Engineer - DCI | Joseph Glaser | 206-787-8975 | | jglaser@dci-engineers.com | |
| Mechanical Engr - Plumbing - Hargis | Ron Eliason | 206-448-3376 | | rone@hargis.biz | |
| Mechanical Engr - HVAC - Hargis | Ron Eliason | 206-448-3376 | | rone@hargis.biz | |
| Mechanical Engr - Plumb/HVAC- Hargis | Matt Zlateff | 206-859-5325 | | matthew.zlateff@hargis.biz | project engineer |
| Electrical Engineer - Hargis | Doug Forslund | 206-448-3376 | | dougf@hargis.biz | |
| Electrical Engineer - Hargis | Michelle Johnson | 206-859-5390 | | michelle.johnson@hargis.biz | project engineer |
| Acoustics - Stantec | Michael Yantis | 206-667-3680 | | michael.yantis@stantec.com | |
| Landscape Architect - Pace Enigineers | Phil Cheesman | 425-827-2014 | | philc@paceengrs.com | |
| | | | | | |
| Land Survey (Tetra Tech) | Charles Purnell | 425-635-1000 | 206-713-5138 | chuck.purnell@tetratech.com | Senior Project Manager |
| | James Martin | 425-635-1000 | 206-255-3866 | | Survey Lead |
| Geotechnical Engineering (Tetra Tech) | Charles Purnell | 425-635-1000 | 206-713-5138 | chuck.purnell@tetratech.com | Senior Project Manager |
| | | | | | |
| Facility Condition Assessment | | | | | |
| MENG Analysis | **Joel Davis** | 206-587-3797 | 206-419-9759 | joel@menganalysis.com | |
| | | | | | |
| Environmental / Hazardous Materials | | | | | |
| Pacific Rim Environmental, Inc. | Todd Carter | 206-244-8965 | 206-193-2935 | tcarter@pacrimenv.com | Operations/Division Manager/PM |
| | Paul Hanway | 206-244-8965 | 206-794-1295 | phanway@pacrimenv.com | Designer |
| | Mark Holm | 206-244-8965 | 206-793-2935 | mholm@pacrimenv.com | General Manager |
| | Ginnie Kindler | 206-244-8965 | 206-450-4686 | gkindler@pacrimenv.com | Field Tech |
| | | | | | |
| *Special Inspection & Testing* | | | | | |
| Otto Rosenau & Asscociates | (TBD) | 206-725-4600 | | | |

| CONTRACTORS | Name | Office | Mobile | Email | Notes |
|---|---|---|---|---|---|
| General Contractor | | | | | |
| **Turner Construction** | | | | | |
| Project Manager | Shawn Horton | 206-505-6600 | 206-316-7610 | shorton@tcco.com | |
| Project Engineer | Kyle Acheson | 206-505-6600 | 360-461-2730 | kacheson@tcco.com | |
| Superintendent | John Minica | | 206-755-1742 | jminica@tcco.com | |
| Foreman | | | | | |
| Subcontractors | | | | | |
| **(tbd)** | | | | | |
| **(tbd)** | | | | | |
| | | | | | |
| Demolition / Hazardous Mat'ls Abatement | | | | | |
| **Dickson Company** | David Dickson | 253-472-4489 | 253-255-5203 | david@dickson.net | Vice President/Estimator/Project Manager |
| | Demian Hinkle | 253-472-4489 | 253-212-7511 | demian@wmdickson.net | Project Manager/Estimator |
| | Ivan Yoder | 253-472-4489 | 360-489-7732 | ivan@dickson.net | Superintendent/Foreman CAS |
| | | | | | |
| PSE Facilities Contractors | | | | | |
| **Moving/Furniture Install: Emerald City** | Tom Andle | 253-796-3932 | 206-778-4555 | tandle@emeraldcityms.com | Contact Kathy Clark, Facilities Space Planner |
| | | | | | |
| | | | | | |

| AHJ / UTILITIES | Name | Office | Mobile | Email | Notes |
|---|---|---|---|---|---|
| AHJ: City of Kent | Permitting | 253-856-5200 | | | |
| Water/Sewer/Storm Drainage: City of Kent | Dept of Engineering | 253-856-5200 | | | |
| Electric: PSE | | | | | |
| Natural Gas: PSE | | | | | |
| | | | | | |
| | | | | | |

# Work Order Structure

WBS Element - S.02059.01 - PSE Campus Consolidation

PSE Campus Consolidation - South King Complex WBS Element - S.02059.02

| Work Order | Title |
|---|---|
| 143002405 | South King Complex Tenant Improvement |
| 143002430 | South King - Network & VOIP Install HW |
| 143002603 | South King - Network & VOIP Install HW (Network Gear & AP Replacement) |
| 143002433 | South King Service - Telcom WO |
| 143002622 | South King Service - Telcom WO (Network Gear & AP Replacement) |
| 143002633 | Security Improvements |

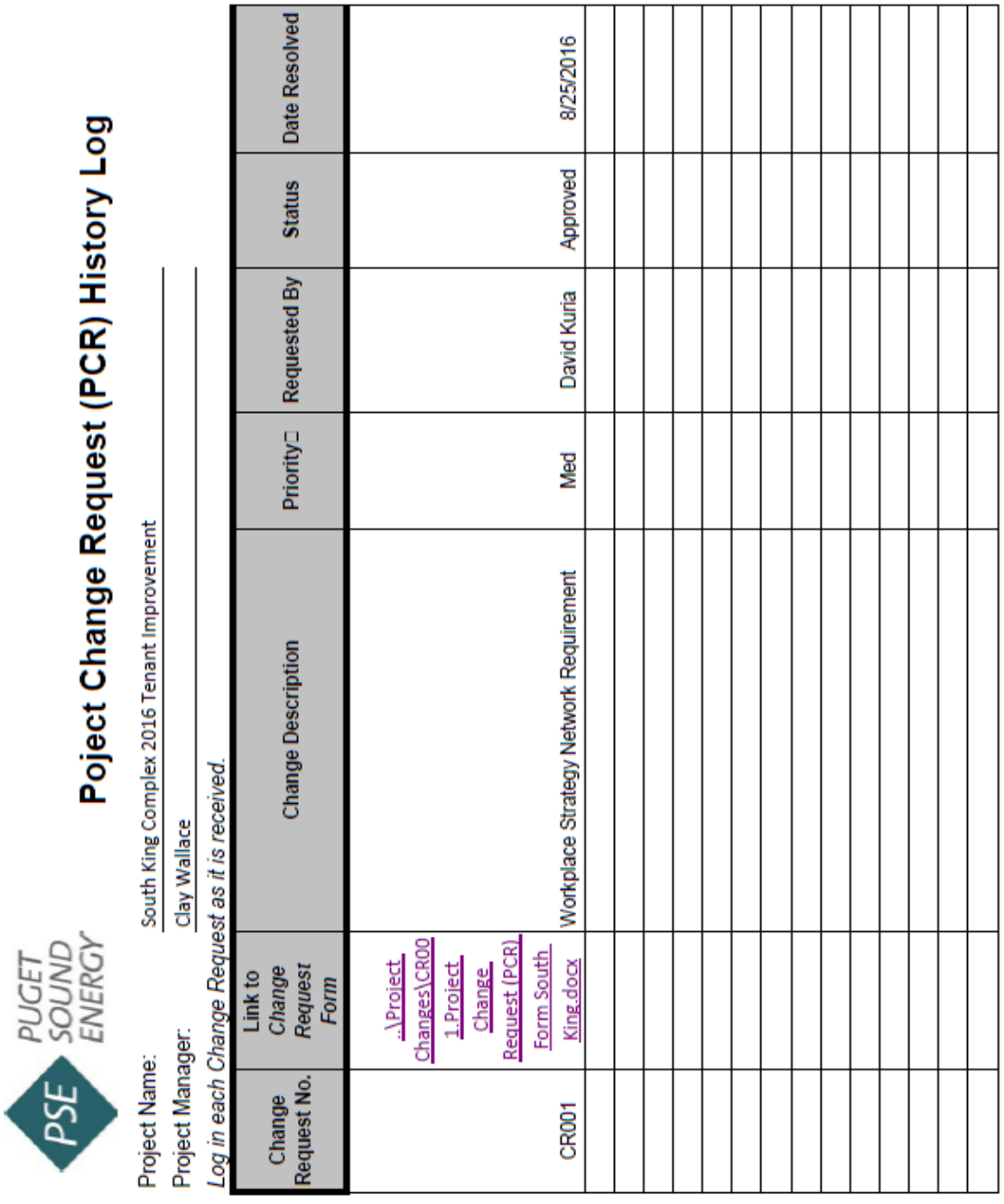
93506134 OMRC South King Consolidation Project

Related Work Orders

143002536 South King Complex – Truck Loading Dock

153002948 Purchase South King Facility - Land and Building

## Appendix B. Project Change Request (PCR) History Log



PUGET SOUND ENERGY

Poject Change Request (PCR) History Log

Project Name: South King Complex 2016 Tenant Improvement

Project Manager: Clay Wallace

*Log in each Change Request as it is received.*

| Change Request No. | Link to *Change Request Form* | Change Description | Priority□ | Requested By | Status | Date Resolved |
|---|---|---|---|---|---|---|
| CR001 | ..\Project Changes\CR00 1.Project Change Request (PCR) Form South King.docx | Workplace Strategy Network Requirement | Med | David Kuria | Approved | 8/25/2016 |

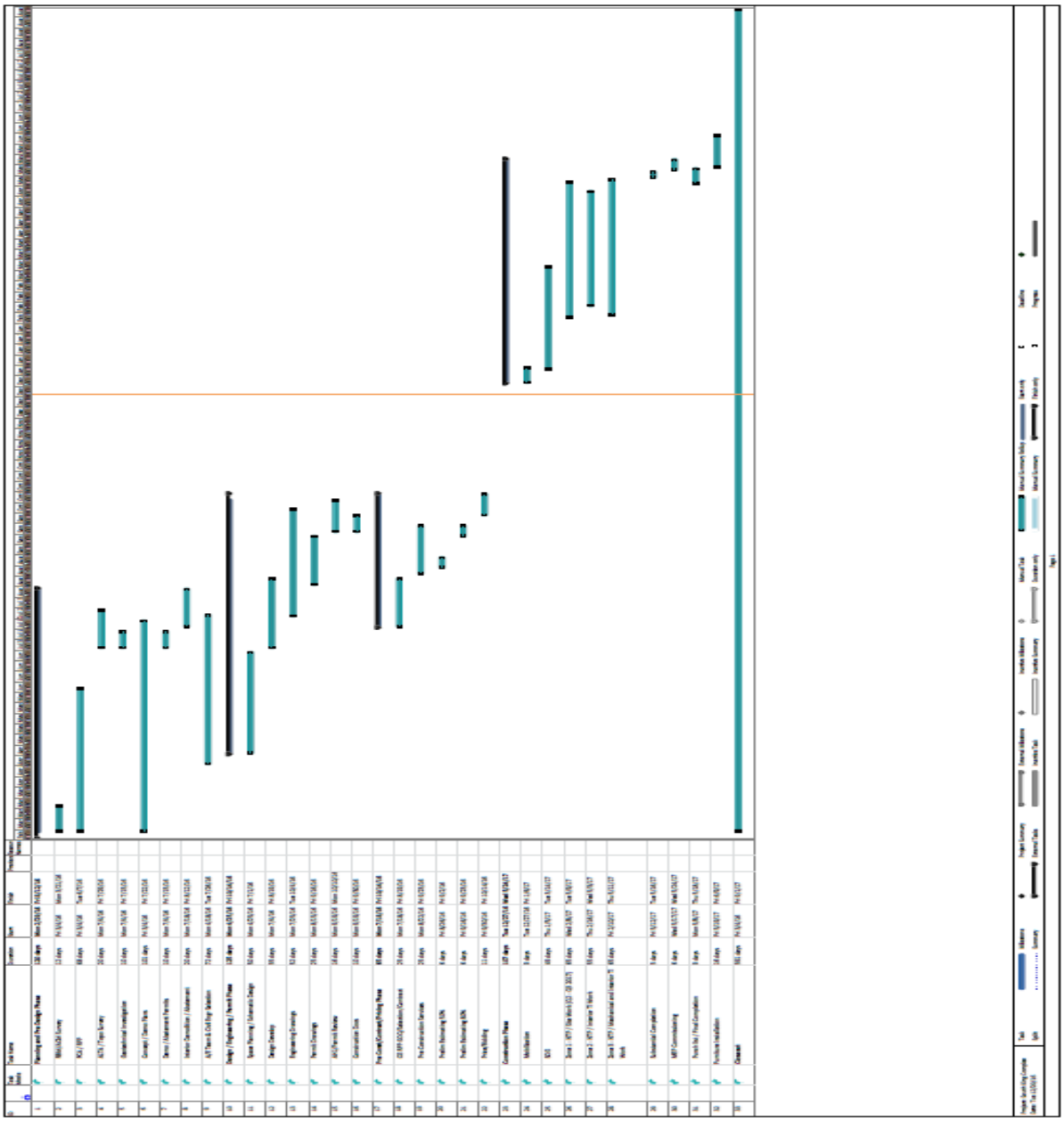
# Appendix C. Estimated Costs

## FACILITIES PROJECT COST ESTIMATE

PROJECT SKC TENANT IMPROVEMENTS - PHASE I (2016-2017) — Prepared by C. Wallace
DATE: 12/22/2016 Update — WORK ORDER NO.: 143002405 (WBS S.02059.02)

| CONSTRUCTION ITEMS | ITEM COST | ITEM TOTAL | TOTAL | REMARKS |
|---|---|---|---|---|
| A. LAND COSTS | | | $0 | none |
| B. SITE INVESTIGATION | | $ 86,000 | | |
| Land Survey | $ 25,000 | | | |
| Soil Borings & Test | $ 25,000 | | | |
| Other | $ 36,000 | | | RBM/Asbestos Survey+Consulting |
| C. PERMITS AND FEES | | $ 50,000 | | estimated fee, City of Kent |
| D. CONSULTING FEES | | $ 555,000 | | total A/E fees |
| Architectural | $ 530,000 | | | approx 6% of construction hard costs |
| Civil | $ - | | | included under Architectural |
| Structural | $ - | | | included under Architectural |
| Mechanical | $ - | | | included under Architectural |
| Electrical | $ - | | | included under Architectural |
| Landscape | $ - | | | included under Architectural |
| Other | $ 25,000 | | | Furniture Consultant |
| E. TESTING AND INSPECTION | | $20,000 | | construction testing services |
| F. PUGET STAFF COSTS | | $165,000 | | |
| Corporate Facilities | $ 70,000 | | | Facility Services PM |
| Corporate Security | $ 5,000 | | | Security PM |
| Space Planning | $ 50,000 | | | Facility Services |
| I.T. Network & Telecommunications | $ 30,000 | | | IT PM |
| Risk Management | $ 5,000 | | | FM Global reviews |
| Construction Management | $ - | | | included under Facility Services |
| Reproductions / Printing / Travel | $ - | | | misc. expenses |
| Other | $ 5,000 | | | other PSE internal support |
| TOTAL 1 (B, C, D, E, F) | | | $876,000 | |
| G. SITE DEVELOPMENT | | $760,000 | | |
| Demolition/Clearing | $ 25,000 | | | for parking lot |
| Storm Drainage / Retention | $ 200,000 | | | drainage system |
| Site Utilities / Septic | $ - | | | included in paving |
| Earthwork | $ 200,000 | | | included in paving except misc GC earthwork |
| Paving | $ 300,000 | | | parking lot (pervious) addition (130+ stalls) |
| Fencing | $ - | | | |
| Site Improvements | $ 25,000 | | | site furnishings |
| Other | $ 10,000 | | | traffic control signage |
| H. BUILDING | | $ 7,950,000 | | |
| Demolition | $ 450,000 | | | interior demolition & abatement w/monitoring |
| Construction | $ 6,400,000 | | | 26,000 s.f. (core & shell TI build out) |
| I.T. Network & Telecommunications | $ 750,000 | | | IT infrastructure |
| A/V Systems | $ 250,000 | | | |
| Access Control & Security | $ 100,000 | | | cameras + alarm/monitoring systems |
| I. FURNISHINGS | | $ 745,000 | | |
| Furniture | $ 700,000 | | | 145+ new workstations plus soft furniture |
| Equipment | $ 5,000 | | | accessories |
| Signage | $ 40,000 | | | room/space ID & wayfinding |
| J. LANDSCAPING | | $ 55,000 | | |
| Plant Materials & Labor | $ 40,000 | | | landscape allowance |
| Irrigation | $ - | | | included |
| Site Accessories | $ 15,000 | | | included |
| TOTAL 2 (G, H, I, J) | | | $9,510,000 | |
| K.CONTINGENCY (5 % Total 2) | | | $475,500 | Construction Cost Risk |
| L. SALES TAX (9.5% of Total 2) | | | $948,623 | SALES TAX |
| SUBTOTAL 3 (Total 1, Total 2, K, L) | | $11,810,123 | | |
| M. PUGET OVERHEAD (12% Subtotal 3) | | | $1,417,215 | current O/H rate |
| N. PUGET STAFF OVERHEADS (F.) | | | $114,840 | current rates |
| PTO/Taxes/Benefits (69.6%) | | $114,840 | | |
| | | | | |
| TOTAL PROJECT COST (A, Total 1, Total 2, K, L, M, N) | | | $13,342,177 | say $13.4 M CAPEX |

# Appendix D. Current Schedule



# Appendix E. Risk Assessment and Risk Management Report

Puget Sound Energy — Risk Register — Version 1: October 2013

| Item | Risk Assessment Questions | Describe Risk or Opportunity | Before Risk Mitigation: Affected Project Activities | Before Risk Mitigation: Probability of Occurrence by % | Before Risk Mitigation: Cost ($) Change If Occurs | Before Risk Mitigation: Duration Change If Occurs (months) | Potential Risk Reduction (Mitigation) Action | Cost ($) to Implement | Benefits of Implementation: Residual Probability of Occurrence by % | Benefits of Implementation: Residual Cost Impact If Occurs | Benefits of Implementation: Residual Duration Change If occurs | Risk Owner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Development and Public Outreach** | | | | | | | | | | | |
| | Has project need been defined and documented? Yes. Facilities Master & Plan CSA APPROVED. | | | | | | | | | | | |
| | Is there a Communications Plan? Yes. Bi-monthly communication (via project progress report) will be sent to key SKC personnel and management, and project updates to all PSE as appropriate. | | | | | | | | | | | |
| | Will a public Outreach Consultant be required? No. Has one been selected and approved? NA. | | | | | | | | | | | |
| | Will there be a need for Community Open Houses? No. If so, are these included in base scheduled NA. | | | | | | | | | | | |
| | Has the project been publicly announced? No. Have all communication materials been prepared for public communications? NA. | | | | | | | | | | | |
| | Is there a risk of community opposition to the project? No. If so, how will this impact cost and schedule? NA. | | | | | | | | | | | |
| | **Political and Other External Influences** | | | | | | | | | | | |
| | Are there any city issues related to the defined project? No. | | | | | | | | | | | |
| | Are there any potential federal or tribal issues associated with the project? No. | | | | | | | | | | | |
| | Are there unresolved or potential legal issues that could impact the project cost or schedule? No. | | | | | | | | | | | |
| | Are there any external groups or stakeholders who will potentially oppose the project? No. | | | | | | | | | | | |
| | Are there potential public health and safety concerns with the project? No. | | | | | | | | | | | |
| | **Engineering/Design and Scope Changes** | | | | | | | | | | | |
| | Are there major engineering/design issues and uncertainties? No. | | | | | | | | | | | |

Page 1 of 5

Puget Sound Energy — Risk Register — Version 1: October 2013

| Item | Risk Assessment Questions | Describe Risk or Opportunity | Before Risk Mitigation | | | | Potential Risk Reduction (Mitigation) Action | Cost ($) to Implement | Benefits of Implementation | | | Risk Owner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Affected Project Activities | Probability of Occurrence by % | Cost ($) Change If Occurs | Duration Change If Occurs (months) | | | Residual Probability of Occurrence by % | Residual Cost Impact If Occurs | Residual Duration Change If occurs | |
| | Are there unknown conditions that could impact the assumed base design and scope? Yes. | *In situ soils, subsurface conditions and the water table could affect parking lot design.* | Detailed Engineering | 30% | $500,000 | 1 | Conduct geotechnicial explorations during planning. | $25,000 | 5% | $2,500 | 0.5 | Clay Wallace, PM |
| | Is there a risk that the scope of the planned project will change? No. If so, how will this impact the cost and schedule? | | | | | | | | | | | |
| | Are there any engineering assumptions that if incorrect could change the project design and project costs? Yes. | *Pervious paving is assumed but may not work depending on subsurface conditions, or AHJ requirements and conditions for permit issuance.* | Permitting | 50% | $150,000 | 2 | Meet early with AHJ to explore/establish LID & pervious paving requirements; maximize standard paving coverage up to impervious coverage limits; and determine associated storm drainage improvements. | $50,000 | 10% | $10,000 | 1 | Clay Wallace, PM |
| | Are there control zone issues? NA. | | | | | | | | | | | |
| | **Procurement** | | | | | | | | | | | |
| | Are there uncertain market conditions for long lead items? No. | | | | | | | | | | | |
| | Are there potential delays for procuring long-lead items? No. | | | | | | | | | | | |
| | Is a bid process required for any major equipment and if so has this been included in the based schedule? Yes, for Furniture System. | | | | | | | | | | | |
| | Has the material procurement process changed? NA. | | | | | | | | | | | |
| | **Environmental and Permitting** | | | | | | | | | | | |
| | Has a permit assessment been completed? Yes. Have the major permit requirements been identified? Yes. | | | | | | | | | | | |
| | Will there be delays or issues with the SEPA determination? NA. | | | | | | | | | | | |
| | Is there a risk that an EIS will be required or that the SEPA determination will be appealed? NA. | | | | | | | | | | | |
| | Are there land use permits which must be acquired and will they require a Public Hearing before a Hearing Examiner? NA. | | | | | | | | | | | |
| | Is there a risk of appeal of any land use permits? NA. | | | | | | | | | | | |

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Puget Sound Energy — Risk Register — Version 1: October 2013

| Item | Risk Assessment Questions | Describe Risk or Opportunity | Before Risk Mitigation | | | | Potential Risk Reduction (Mitigation) Action | Cost ($) to Implement | Benefits of Implementation | | | | Risk Owner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Affected Project Activities | Probability of Occurrence by % | Cost ($) Change if Occurs | Duration Change if Occurs (months) | | | Residual Probability of Occurrence by % | Residual Cost Impact if Occurs | Residual Duration Change if occurs | | |
| | Are there any environmental permits required that could delay the project such as permits for impacts to wetlands; critical areas; or endangered species? No. | | | | | | | | | | | | |
| | Are there any federal permits required such as an Army Corps of Engineers permit? No. | | | | | | | | | | | | |
| | Are there WSDOT or DNR permits or leases required? No. | | | | | | | | | | | | |
| | Will the project require impacts to sensitive or critical environmental resources or to critical habitat? No. | | | | | | | | | | | | |
| | Will mitigation be required for project impacts? NA. Is there property available for required mitigation or will such property need to be acquired? NA. | | | | | | | | | | | | |
| | Is there any possibility of encountering hazardous substances or contaminated property during project construction? No. | | | | | | | | | | | | |
| | Will a cultural resource assessment be required? No. Is there a risk that archeological or cultural resources impacts could delay the project? NA. | | | | | | | | | | | | |
| | Are there any legal costs that will be incurred to support the permits process? No. If so have these been included in the base cost estimate? NA. | | | | | | | | | | | | |
| | **Right-of-Way/Property Rights** | | | | | | | | | | | | |
| | Is there a risk of not being able to apply for permits until all property rights are in hand? No. Is this reflected in base schedule? NA. | | | | | | | | | | | | |
| | Will rights-of-entry be required to complete environmental or engineering studies? No. Is there a risk of delay or a risk that rights-of-entry will not be granted? NA. | | | | | | | | | | | | |

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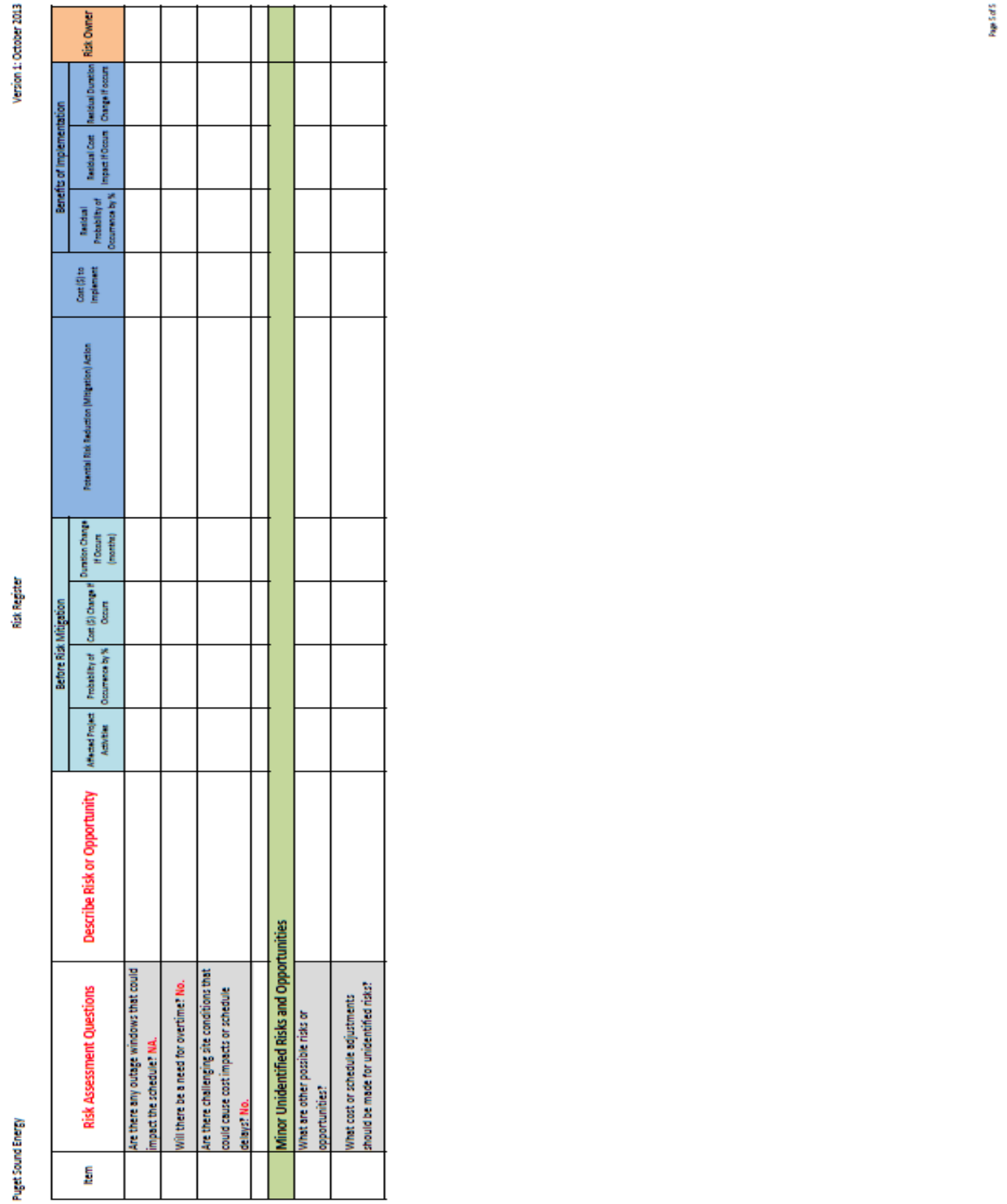
Puget Sound Energy — Risk Register — Version 1: October 2013

| Item | Risk Assessment Questions | Describe Risk or Opportunity | Before Risk Mitigation: Affected Project Activities | Before Risk Mitigation: Probability of Occurrence by % | Before Risk Mitigation: Cost ($) Change if Occurs | Before Risk Mitigation: Duration Change if Occurs (months) | Potential Risk Reduction (Mitigation) Action | Cost ($) to Implement | Benefits of Implementation: Residual Probability of Occurrence by % | Benefits of Implementation: Residual Cost Impact if Occurs | Benefits of Implementation: Residual Duration Change if occurs | Risk Owner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Are there any potential unwilling sellers of required property rights? NA. | | | | | | | | | | | |
| | Is there a risk that we might need to condemn any property owners? NA. | | | | | | | | | | | |
| | If we enter into condemnation, is there a risk we will not obtain timely possession and use of any properties we need? NA. | | | | | | | | | | | |
| | Are there any full takes of properties required? NA. | | | | | | | | | | | |
| | Do we have sufficient staff to pursue the required property rights in the time allocated under the base schedule? NA. | | | | | | | | | | | |
| | Are there any legal costs that will be incurred for property purchase activities? Have these costs been included in the base cost estimate? NA. | | | | | | | | | | | |
| | **Utilities and Conflicts** | | | | | | | | | | | |
| | Are there any potential conflicts with existing utilities that will require relocations or modifications of existing utilities owned by others? No. | | | | | | | | | | | |
| | Are there any conflicts with any structures or buildings that will need to be resolved? No. | | | | | | | | | | | |
| | Is there a risk of damage to third-party utilities or third party property? Yes. Verizon fiber is underground in proposed parking lot area. | *Exact location (route and depth) of fiber from ROW to Building unknown and the fiber cannot be rerouted.* | *Construction* | *10%* | *Unknown* | *0.5* | *Survey and locate all known underground utilities including fiber during Planning, and re-verify locates prior to Construction.* | *$40,000* | *5%* | *Unknown* | *None* | *Clay Wallace, PM* |
| | **Contracting and Construction** | | | | | | | | | | | |
| | Are there available and qualified contractors to construct the project? Yes. | | | | | | | | | | | |
| | Is there a risk that poor weather could delay construction? Yes. Outdoor paving and site work would be affected by lengthy rain periods. | *Exterior construction activites scheduled for 2Q & 3Q of 2017 to less rainy seasons as opportunity to minimize weather risk.* | *Construction* | *NA* | *NA* | *NA* | *Exterior paving & site construction activites scheduled for 2Q & 3Q of 2017 to less rainy seasons.* | *NA* | *NA* | *NA* | *None* | *Clay Wallace, PM* |
| | Are there any regulatory construction windows such as fish windows or wet weather windows that will impact the construction schedule? No. | | | | | | | | | | | |

Page 4 of 5



Puget Sound Energy — Risk Register — Version 1: October 2013

| Item | Risk Assessment Questions | Describe Risk or Opportunity | Before Risk Mitigation | | | | | Potential Risk Reduction (Mitigation) Action | Cost ($) to Implement | Benefits of Implementation | | | Risk Owner |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Affected Project Activities | Probability of Occurrence by % | Cost ($) Change If Occurs | Duration Change If Occurs (months) | | | | Residual Probability of Occurrence by % | Residual Cost Impact if Occurs | Residual Duration Change if occurs | |
| | Are there any outage windows that could impact the schedule? NA. | | | | | | | | | | | | |
| | Will there be a need for overtime? No. | | | | | | | | | | | | |
| | Are there challenging site conditions that could cause cost impacts or schedule delays? No. | | | | | | | | | | | | |
| | **Minor Unidentified Risks and Opportunities** | | | | | | | | | | | | |
| | What are other possible risks or opportunities? | | | | | | | | | | | | |
| | What cost or schedule adjustments should be made for unidentified risks? | | | | | | | | | | | | |

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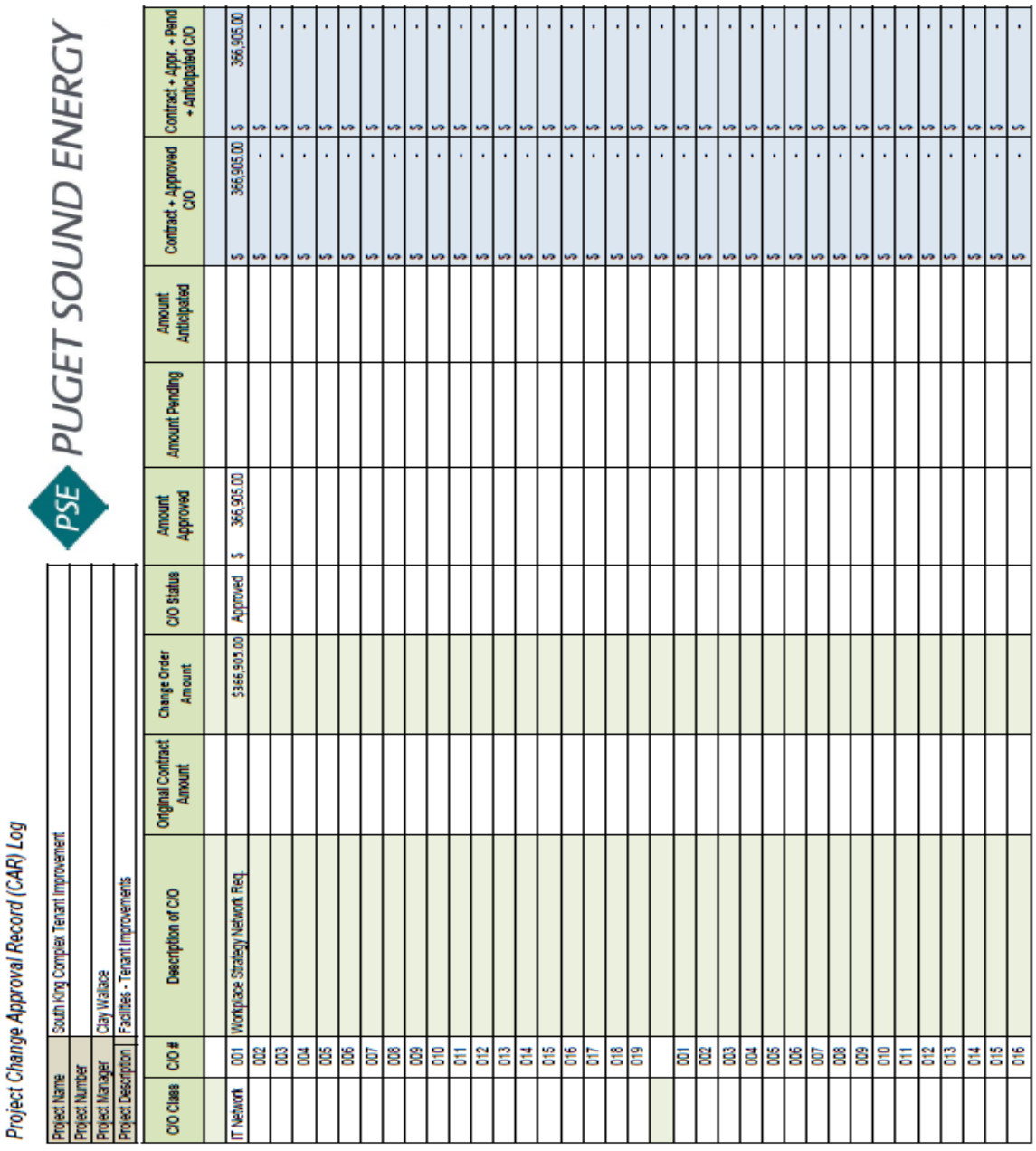
# Appendix F. Benefits Register

| # | Benefit | Benefit Owner | ISP Objectives | Program Objectives | Dependencies | | Metric | Metric Type | Metric Owner | Baseline | Target | Actual | Variance | Description | Action |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Business Enabled Changes | System Enabled Changes | | | | | | | | | |
| 1 | **Lower Lease Costs and Improve Space Use Efficiency and Effectiveness** | Joel Molander | • Contribute to meeting or beating five year plan and maximize long-term value<br>• Extract and leverage value from existing technology and assets | Relocate employees and consultants / contractors from Bellevue Campus to SKC facility | • Embracing non-centralized (Bellevue) business/departmental and work location organizational and operational model<br>• Adopting Advanced Workplace Strategy (AWS) / Remote Workplace Options (RWO) objectives | • None | Lease Costs | Financial | Larry Hurwitz | TBD | TBD | | | Reduce lease costs by reducing space square footage | |
| | | | | | | | Floor Space Utilization | Tools | Larry Hurwitz | TBD | TBD | | | Reduce floor space and increase workstation capacity by improving use efficiency | |
| | Description | Lower future lease costs by providing office and support spaces at SKC to relocate approximately 145 employees and consultants/contractors from higher cost Bellevue Campus to lower cost SKC facility, reducing the amount of Bellevue Campus leased space (up to 2 floors); reduce workstation space needs 38% to 60% (from our current standard) and provide improved ergonomic workstations for enhanced comfort and employee wellness; and provide space-efficient work space and a work place environment that is more flexible and collaborative. | | | | | | | | | | | | | |

# Appendix G. Project Change Approval Record (CAR) Log



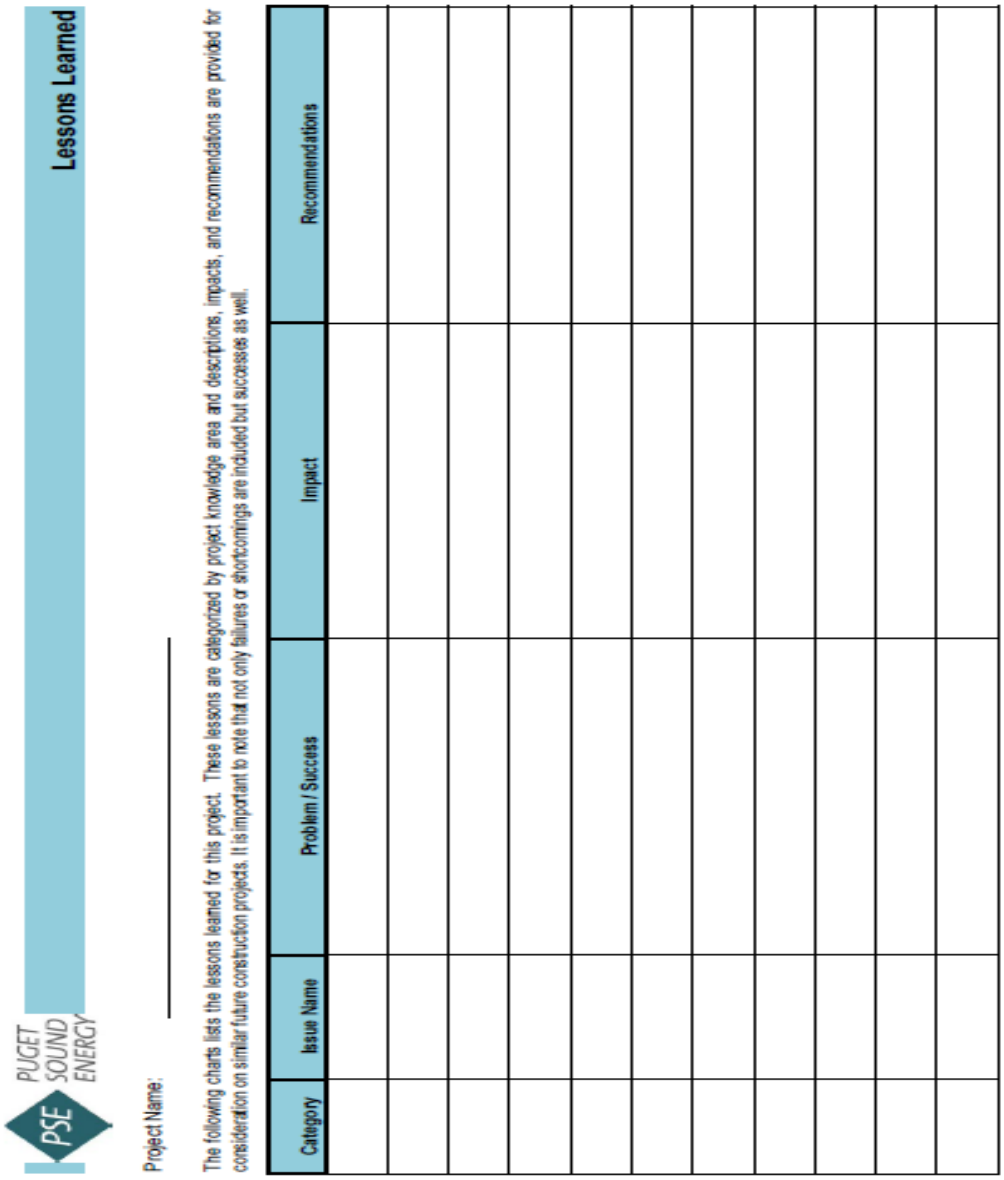
PUGET SOUND ENERGY

Project Change Approval Record (CAR) Log

| | |
|---|---|
| Project Name | South King Complex Tenant Improvement |
| Project Number | |
| Project Manager | Clay Wallace |
| Project Description | Facilities - Tenant Improvements |

| C/O Class | C/O # | Description of C/O | Original Contract Amount | Change Order Amount | C/O Status | Amount Approved | Amount Pending | Amount Anticipated | Contract + Approved C/O | Contract + Appr. + Pend + Anticipated C/O |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | $ 366,905.00 | $ 366,905.00 |
| IT Network | 001 | Workplace Strategy Network Req. | | $366,903.00 | Approved | $ 366,905.00 | | | $ - | $ - |
| | 002 | | | | | | | | $ - | $ - |
| | 003 | | | | | | | | $ - | $ - |
| | 004 | | | | | | | | $ - | $ - |
| | 005 | | | | | | | | $ - | $ - |
| | 006 | | | | | | | | $ - | $ - |
| | 007 | | | | | | | | $ - | $ - |
| | 008 | | | | | | | | $ - | $ - |
| | 009 | | | | | | | | $ - | $ - |
| | 010 | | | | | | | | $ - | $ - |
| | 011 | | | | | | | | $ - | $ - |
| | 012 | | | | | | | | $ - | $ - |
| | 013 | | | | | | | | $ - | $ - |
| | 014 | | | | | | | | $ - | $ - |
| | 015 | | | | | | | | $ - | $ - |
| | 016 | | | | | | | | $ - | $ - |
| | 017 | | | | | | | | $ - | $ - |
| | 018 | | | | | | | | $ - | $ - |
| | 019 | | | | | | | | $ - | $ - |
| | | | | | | | | | $ - | $ - |
| | 001 | | | | | | | | $ - | $ - |
| | 002 | | | | | | | | $ - | $ - |
| | 003 | | | | | | | | $ - | $ - |
| | 004 | | | | | | | | $ - | $ - |
| | 005 | | | | | | | | $ - | $ - |
| | 006 | | | | | | | | $ - | $ - |
| | 007 | | | | | | | | $ - | $ - |
| | 008 | | | | | | | | $ - | $ - |
| | 009 | | | | | | | | $ - | $ - |
| | 010 | | | | | | | | $ - | $ - |
| | 011 | | | | | | | | $ - | $ - |
| | 012 | | | | | | | | $ - | $ - |
| | 013 | | | | | | | | $ - | $ - |
| | 014 | | | | | | | | $ - | $ - |
| | 015 | | | | | | | | $ - | $ - |
| | 016 | | | | | | | | $ - | $ - |

## Appendix H. Lessons Learned Document



Lessons Learned

PUGET SOUND ENERGY

Project Name: _____

The following charts lists the lessons learned for this project. These lessons are categorized by project knowledge area and descriptions, impacts, and recommendations are provided for consideration on similar future construction projects. It is important to note that not only failures or shortcomings are included but successes as well.

| Category | Issue Name | Problem / Success | Impact | Recommendations |
|---|---|---|---|---|
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# Appendix I.

Existing / Demolition Floor Plan – SKC NW Office/ICON Space

See Exhibit I – 1.1 attached.

New Floor Plan – SKC NW Office/ICON Space

See Exhibit I – 1.2 attached.

New Pervious 130+ Stall Parking Lot Plan – SKC

See Exhibit I – 1.3 attached.

SKC Overall Site Plan - Existing

See Exhibit I – 1.4 attached.