

**EXH. DSL-6  
DOCKETS UE-19 \_\_\_/UG-19 \_\_\_  
2019 PSE GENERAL RATE CASE  
WITNESS: DOUGLAS S. LOREEN**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-19 \_\_\_  
Docket UG-19 \_\_\_**

**FIFTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**DOUGLAS S. LOREEN**

**ON BEHALF OF PUGET SOUND ENERGY**

**JUNE 20, 2019**



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

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*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
<b>1.0</b>		<b>Approved Initiation to Planning (Gate 2) Phase Gate CSA PIP- Gate Approval was not implemented, already complete.</b>	<b>Project Design Phase</b>
1.1	<b>07/5/16</b>	Issued RFP for RBM-Abatement/Demolition Services; made selection; executed RBM-Abatement/Demolition Services Contract	Procurement & Contracting
<b>2.0</b>	<b>07/6/16</b>	<b>Approved Planning to Design (Gate 3) Phase Gate PCR PIP</b>	<b>Project Execution Phase</b>
2.2	10/31/16	Issued RFP for General Contractor; made GC selection; executed Pre-construction Services & Construction Services Contract	Procurement & Contracting
<b>3.0</b>	<b>12/22/16</b>	<b>Approved Design to Execution (Gate 4) Phase Gate PCR PIP</b>	<b>Construction Phase</b>
<b>4.0</b>		<b>Approved Execution to Close- Out (Gate 5) PCR PIP</b>	<b>Project Close/ Hand over to BU7</b>

### 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

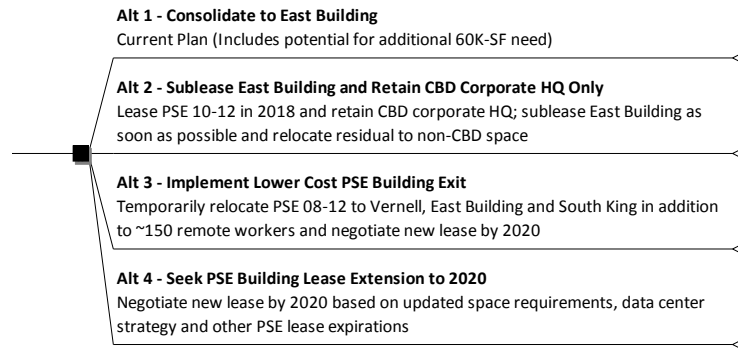
Several planning assumptions changed, prompting review of the approved 2014 consolidation plan and assessment of additional alternatives. Specifically,

- 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 quantified 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)	<i>Development</i>	<i>Construction</i>	<i>Construction</i>			
Capital	\$0	\$6,000,000	\$1,000,000	\$0	\$0	\$7,000,000
Expense	\$0	\$330,000	\$20,000	\$0	\$0	\$350,000
<b>Estimate to Completion (ETC)</b>		\$7,000,000				
<b>Risk Contingency</b>		\$350,000				
<b>Note: Estimate accuracy is \$5.3M - \$10.5M (-25% to +50%) based on ETC</b>						

Design to Execution Phase Gate Project Estimate						
	Actual Costs through 2015	Current Year 2016	2017	2018	2019	Total Lifetime
Phase (at year end)		<i>Procurement</i>	<i>Construction</i>			
Capital		\$6,000,000	\$1,000,000			\$7,000,000
Expense		\$330,000	\$20,000			\$350,000
<b>Estimate to Completion (ETC)</b>		\$7,000,000				
<b>Risk Contingency</b>		\$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)		<i>Procurement</i>	<i>Construction</i>			
Capital						\$0
Expense						\$0
<b>Estimate to Completion (ETC)</b>		\$0				
<b>Risk Contingency</b>		\$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, except 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.

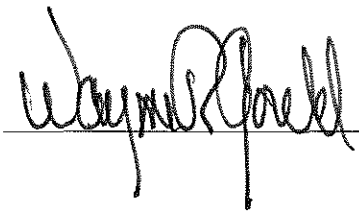
Work is being performed inside so unusual weather conditions, should not impact construction, and outdoor work will be performed during the typically drier seasonal periods – late summer and early fall.

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.

 <b>PUGET SOUND ENERGY</b>	<b>Puget Sound Energy</b>	Rev 3
	<b>Project Implementation Plan</b>	SKC TI -PHASE I Reviewed as of 12/22/2016

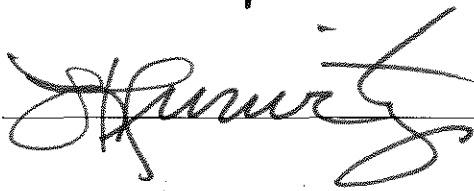
**Gate(s) 1, 2 and 3: Approved By:**

Asset Manager  
Joel Molander /  
Wayne Gould



Date 28 Dec 2016

Facilities Project  
Manager  
Larry Hurwitz



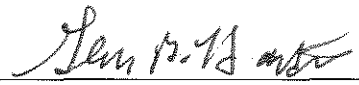
Date 1.4.17

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)		<i>Procurement</i>	<i>Construction</i>			
Capital		\$2,400,000	\$11,000,000			\$13,400,000
Expense		\$100,000	\$250,000			\$350,000
<b>Estimate to Completion (ETC)</b>		\$13,400,000				
<b>Risk Contingency</b>		\$1,340,000				
<b>Note: Estimate accuracy is \$12.1M - \$15.4M (-10% to +15%) based on ETC</b>						

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, except 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.

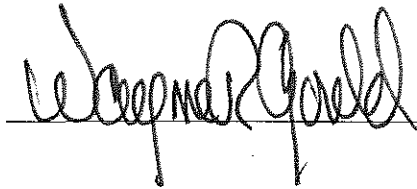
 <b>PUGET SOUND ENERGY</b>	<b>Puget Sound Energy</b>	Rev 3
	<b>Project Implementation Plan</b>	SKC TI -PHASE I Reviewed as of 12/22/2016

**Approved By:**

Asset Manager

**Joel Molander /**

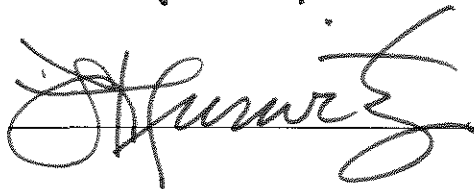
**Wayne Gould**



Date 28 Dec 2016

Facilities Project  
Manager

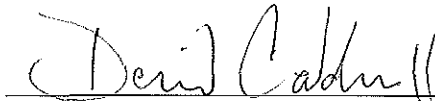
**Larry Hurwitz**



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
- Appendix B. Work Order Structure
- Appendix C. Project Change Request (PCR) History Log
- Appendix D. Estimated Costs
- Appendix E. Current Schedule
- Appendix F. Risk Assessment and Risk Management Report
- Appendix G. Benefits Register
- Appendix G. Project Change Approval Record (CAR) Log
- Appendix H. Lessons Learned Document
- Appendix I. Plans

# 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				Notes
PSE	Name	Office Phone	Mobile	Email		Notes
Corporate Shared Services Director	Joel Molander	425-457-5335	425-765-8002	<a href="mailto:joel.molander@pse.com">joel.molander@pse.com</a>		
Facilities Director	Wayne Gould	425-462-3429	425-765-1953	<a href="mailto:wayne.gould@pse.com">wayne.gould@pse.com</a>		
Facilities Manager - Planning	Larry Hurwitz	425-462-3290	206-604-5114	<a href="mailto:larry.hurwitz@pse.com">larry.hurwitz@pse.com</a>		
<b>Facilities Project Manager</b>	<b>Clay Wallace</b>	425-456-2863	425-691-7519	<a href="mailto:clay.wallace@pse.com">clay.wallace@pse.com</a>		
Facilities Project Manager (backup)	Paul Wu	425-462-3008	425-503-2182	<a href="mailto:paul.wu@pse.com">paul.wu@pse.com</a>		
Facilities Project Coordinator	Mary Clyde	425-457-5890	425-256-1588	<a href="mailto:mary.clyde@pse.com">mary.clyde@pse.com</a>		
Facilities Space Planner	Kathy Clark	425-462-3775	425-210-1229	<a href="mailto:kathy.clark@pse.com">kathy.clark@pse.com</a>		
Facilities Space Planner	<b>Michael Crum</b>	425-456-2153	206-915-9729	<a href="mailto:michael.crum1@pse.com">michael.crum1@pse.com</a>		
Facilities Sr. Engineer - Electrical	<b>David Babbitt</b>	425-462-3555	425-736-6891	<a href="mailto:david.babbitt@pse.com">david.babbitt@pse.com</a>		
Facilities Sr. Engineer - Mechanical	<b>Robert Kuchcinski</b>	425-456-2450	425-736-6891	<a href="mailto:robert.kuchcinski@pse.com">robert.kuchcinski@pse.com</a>		
Facility Service Manager - Maintenance	Roland LaMothe	425-457-5765	206-473-8946	<a href="mailto:rolan.lamothe@pse.com">rolan.lamothe@pse.com</a>		
Facilities Services Coordinator	Milan Balvircaik	425-462-3161	425-457-4090	<a href="mailto:milan.balvircaik@pse.com">milan.balvircaik@pse.com</a>		
I.T. Tech Analyst - Project Manager	<b>David Kuria</b>	425-688-7250	425-215-5226	<a href="mailto:david.kuria@pse.com">david.kuria@pse.com</a>		
I.T. Program Manager	Dave Caldwell	425-462-3708	425-985-1135	<a href="mailto:dave.caldwell@pse.com">dave.caldwell@pse.com</a>		
I.T. Manager - Infrastructure	Carolyn Danielson	425-895-7066	425-223-1336	<a href="mailto:carolyn.danielson@pse.com">carolyn.danielson@pse.com</a>		
I.T. Facilities Infrastructure Engineer	Ben Barr	425-867-7386	425-499-2846	<a href="mailto:benjamin.barr@pse.com">benjamin.barr@pse.com</a>		
Sr. Network Engineer	Anbar (Andy) Dirir	425-895-7056	206-816-2240	<a href="mailto:anbar.dirir@pse.com">anbar.dirir@pse.com</a>		
Sr. Telecommunications Engineer	David McKinnon	425-895-7024	206-818-8847	<a href="mailto:david.mckinnon@pse.com">david.mckinnon@pse.com</a>		
Voice Engineer	Zach Fuentes	425-895-7016	425-582-1460	<a href="mailto:zachary.fuentes@pse.com">zachary.fuentes@pse.com</a>		
End User Support - Desktop	Quana Vu	425-456-2224	425-503-7971	<a href="mailto:quana.vu@pse.com">quana.vu@pse.com</a>		
I.T. Manager - Server	Fred Atkinson	425-456-2424	425-681-0383	<a href="mailto:fred.atkinson@pse.com">fred.atkinson@pse.com</a>		
Procurement/Purchasing - Contracting	<b>Cathy Lorentz</b>	425-398-6184		<a href="mailto:cathy.lorentz@pse.com">cathy.lorentz@pse.com</a>		
LES - Corporate Security	<b>Marty Prough</b>		253-579-4864	<a href="mailto:marty.prough@ltdes.com">marty.prough@ltdes.com</a>		
	Phillip Moran		253-569-9555	<a href="mailto:phill.moran@ltdes.com">phill.moran@ltdes.com</a>		
Corporate Security Project Manager	<b>Glen Harston</b>	425-456-2625	425-766-2897	<a href="mailto:glen.harston@pse.com">glen.harston@pse.com</a>		
<b>Internal/Affected PSE Customers</b>	<b>Material Planning &amp; Distribution</b>					
	<i>John Olson</i>	253-395-6880	253-350-3053	<a href="mailto:john.olson@pse.com">john.olson@pse.com</a>		
	<i>Brenda Campbell</i>	253-395-6916	206-391-8368	<a href="mailto:brenda.campbell@pse.com">brenda.campbell@pse.com</a>		
	<i>Jim Pruchnic</i>	253-395-6889		<a href="mailto:james.pruchnic@pse.com">james.pruchnic@pse.com</a>		
<b>Other PSE Employees</b>						
<b>CONSULTANTS</b>	<b>Name</b>	<b>Office</b>	<b>Mobile</b>	<b>Email</b>	<b>Notes</b>	
Architect (JPC Architects)	Ann Derr	425-641-9200		<a href="mailto:and@jpcarchitects.com">and@jpcarchitects.com</a>		
Principal In Charge	Marty Grube	425-641-9200	206-484-0981	<a href="mailto:marting@jpcarchitects.com">marting@jpcarchitects.com</a>		
Project Architect (JPC)	Becky Dail	425-641-9200		<a href="mailto:beckyd@jpcarchitects.com">beckyd@jpcarchitects.com</a>		
Furniture (JPC)	Phil Logsdon	425-641-9200		<a href="mailto:phil@jpcarchitects.com">phil@jpcarchitects.com</a>		
Civil Engineer - Pace Engineers	Phil Cheesman	425-827-2014		<a href="mailto:phil@paceengrs.com">phil@paceengrs.com</a>		
Structural Engineer - DCI	Joseph Glaser	206-787-8975		<a href="mailto:jglaser@dc-engineers.com">jglaser@dc-engineers.com</a>		
Mechanical Engr - Plumbing - Hargis	Ron Eliason	206-448-3376		<a href="mailto:rone@hargis.biz">rone@hargis.biz</a>		
Mechanical Engr - HVAC - Hargis	Ron Eliason	206-448-3376		<a href="mailto:rone@hargis.biz">rone@hargis.biz</a>		
Mechanical Engr - Plumb/HVAC - Hargis	Matt Zlateff	206-859-5325		<a href="mailto:matthew.zlateff@hargis.biz">matthew.zlateff@hargis.biz</a>	project engineer	
Electrical Engineer - Hargis	Doug Forslund	206-448-3376		<a href="mailto:dougf@hargis.biz">dougf@hargis.biz</a>		
Electrical Engineer - Hargis	Michelle Johnson	206-859-5390		<a href="mailto:michelle.johnson@hargis.biz">michelle.johnson@hargis.biz</a>	project engineer	
Acoustics - Stantec	Michael Yantis	206-667-3680		<a href="mailto:michael.yantis@stantec.com">michael.yantis@stantec.com</a>		
Landscape Architect - Pace Engineers	Phil Cheesman	425-827-2014		<a href="mailto:phil@paceengrs.com">phil@paceengrs.com</a>		
Land Survey (Tetra Tech)	Charles Purnell	425-635-1000	206-713-5138	<a href="mailto:chuck.purnell@tetratech.com">chuck.purnell@tetratech.com</a>	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	<a href="mailto:chuck.purnell@tetratech.com">chuck.purnell@tetratech.com</a>	Senior Project Manager	
Facility Condition Assessment						
MENG Analysis	<b>Joel Davis</b>	206-587-3797	206-419-9759	<a href="mailto:joel@menqanalysis.com">joel@menqanalysis.com</a>		
Environmental / Hazardous Materials						
Pacific Rim Environmental, Inc.	Todd Carter	206-244-8965	206-193-2935	<a href="mailto:tcarter@pacrimenv.com">tcarter@pacrimenv.com</a>	Operations/Division Manager/PM	
	Paul Hanway	206-244-8965	206-794-1295	<a href="mailto:phanway@pacrimenv.com">phanway@pacrimenv.com</a>	Designer	
	Mark Holm	206-244-8965	206-793-2935	<a href="mailto:mholm@pacrimenv.com">mholm@pacrimenv.com</a>	General Manager	
	Ginnie Kindler	206-244-8965	206-450-4686	<a href="mailto:gkindler@pacrimenv.com">gkindler@pacrimenv.com</a>	Field Tech	
<i>Special Inspection &amp; Testing</i>						
Otto Rosenau & Associates	(TBD)	206-725-4600				
<b>CONTRACTORS</b>	<b>Name</b>	<b>Office</b>	<b>Mobile</b>	<b>Email</b>	<b>Notes</b>	
General Contractor						
<b>Turner Construction</b>						
Project Manager	Shawn Horton	206-505-6600	206-316-7610	<a href="mailto:shorton@tcco.com">shorton@tcco.com</a>		
Project Engineer	Kyle Acheson	206-505-6600	360-481-2730	<a href="mailto:kacheson@tcco.com">kacheson@tcco.com</a>		
Superintendent	John Minica		206-755-1742	<a href="mailto:jminica@tcco.com">jminica@tcco.com</a>		
Foreman						
Subcontractors						
(tbd)						
(tbd)						
Demolition / Hazardous Mat'ls Abatement						
<b>Dickson Company</b>						
David Dickson	253-472-4489	253-255-5203		<a href="mailto:david@dickson.net">david@dickson.net</a>	Vice President/Estimator/Project Manager	
Dominian Hinkle	253-472-4489	253-212-7511		<a href="mailto:daminian@wmdickson.net">daminian@wmdickson.net</a>	Project Manager/Estimator	
Ivan Yoder	253-472-4489	360-489-7732		<a href="mailto:ivan@dickson.net">ivan@dickson.net</a>	Superintendent/Foreman CAS	
PSE Facilities Contractors						
<b>Moving/Furniture Install: Emerald City</b>	Tom Andle	253-796-3932	206-778-4555	<a href="mailto:tandle@emeraldcityms.com">tandle@emeraldcityms.com</a>	Contact Kathy Clark, Facilities Space Planner	
<b>AHJ / UTILITIES</b>	<b>Name</b>	<b>Office</b>	<b>Mobile</b>	<b>Email</b>	<b>Notes</b>	
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



### Project 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.*

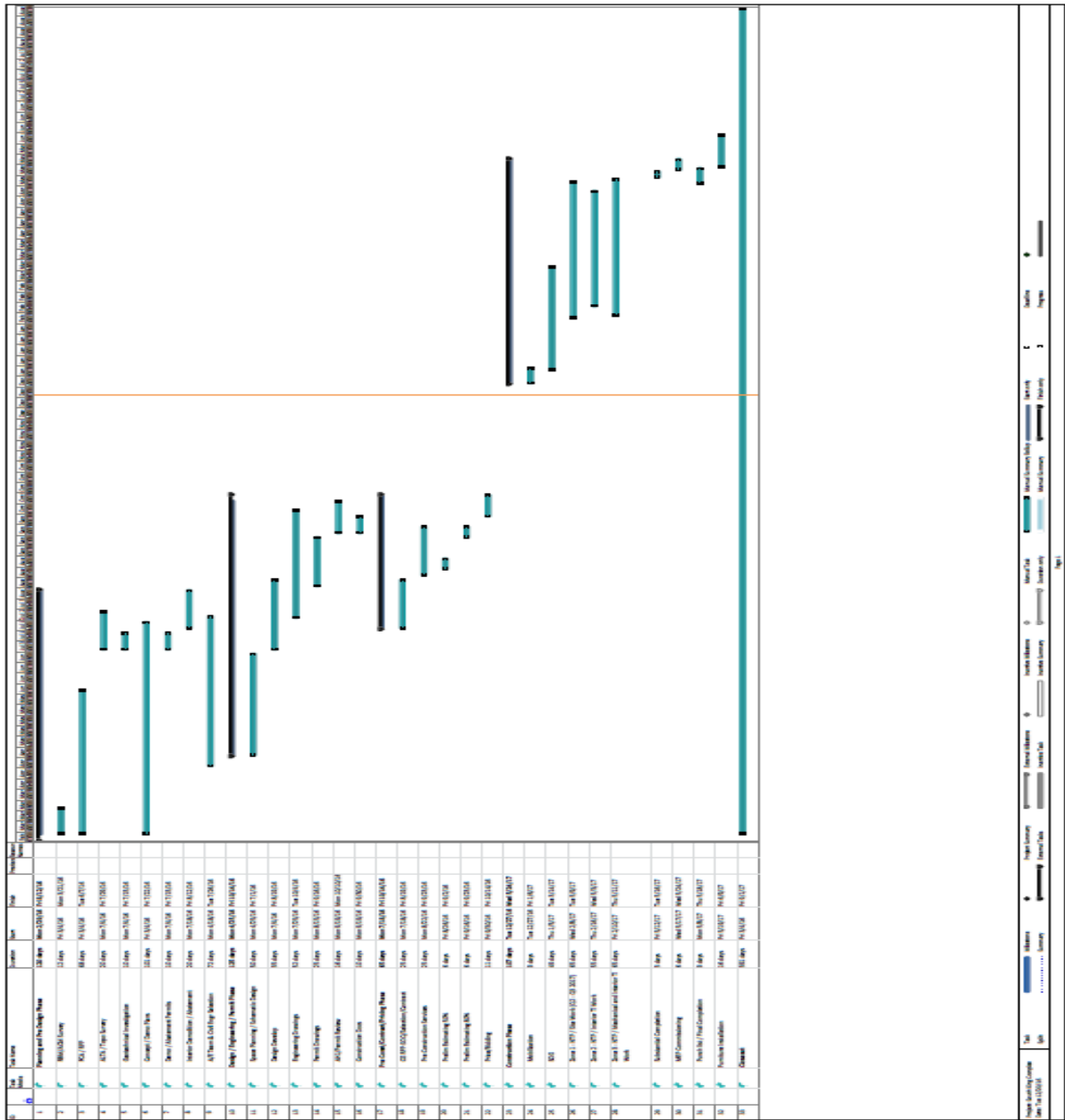
Change Request No.	Link to Change Request Form	Change Description	Priority	Requested By	Status	Date Resolved
CR001	<a href="#">..Project Changes\CR001.Project Change Request (PCR) Form South King.docx</a>	Workplace Strategy Network Requirement	Med	David Kuria	Approved	8/25/2016

## 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	
<b>A. LAND COSTS</b>			\$0	none	
<b>B. SITE INVESTIGATION</b>		\$ 86,000			
Land Survey	\$ 25,000				
Soil Borings & Test	\$ 25,000				
Other	\$ 36,000				
<b>C. PERMITS AND FEES</b>		\$ 50,000		RBM/Asbestos Survey+Consulting	
<b>D. CONSULTING FEES</b>		\$ 555,000		estimated fee, City of Kent	
Architectural	\$ 530,000			total A/E fees	
Civil	\$ -			approx 6% of construction hard costs	
Structural	\$ -			included under Architectural	
Mechanical	\$ -			included under Architectural	
Electrical	\$ -			included under Architectural	
Landscape	\$ -			included under Architectural	
Other	\$ 25,000			Furniture Consultant	
<b>E. TESTING AND INSPECTION</b>		\$20,000		construction testing services	
<b>F. PUGET STAFF COSTS</b>		\$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	
<b>TOTAL 1 (B, C, D, E, F)</b>			\$876,000		
<b>G. SITE DEVELOPMENT</b>		\$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	
<b>H. BUILDING</b>		\$ 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	
<b>I. FURNISHINGS</b>		\$ 745,000			
Furniture	\$ 700,000			145+ new workstations plus soft furniture	
Equipment	\$ 5,000			accessories	
Signage	\$ 40,000			room/space ID & wayfinding	
<b>J. LANDSCAPING</b>		\$ 55,000			
Plant Materials & Labor	\$ 40,000			landscape allowance	
Irrigation	\$ -			included	
Site Accessories	\$ 15,000			included	
<b>TOTAL 2 (G, H, I, J)</b>			\$9,510,000		
<b>K. CONTINGENCY (5 % Total 2)</b>			\$475,500	Construction Cost Risk	
<b>L. SALES TAX (9.5% of Total 2)</b>			\$948,623	<b>SALES TAX</b>	
<b>SUBTOTAL 3 (Total 1, Total 2, K, L)</b>			\$11,810,123		
<b>M. PUGET OVERHEAD (12% Subtotal 3)</b>			\$1,417,215	current O/H rate	
<b>N. PUGET STAFF OVERHEADS (F.)</b>			\$114,840	current rates	
PTO/Taxes/Benefits (69.6%)		\$114,840			
<b>TOTAL PROJECT COST (A, Total 1, Total 2, K, L, M, N)</b>			\$13,342,177	say \$13.4 M CAPEX	



# Appendix D. Current Schedule



# Appendix E. Risk Assessment and Risk Management Report

Project Sound Energy		Risk Register				Version 1: October 2013						
Item	Risk Assessment Questions	Describe Risk or Opportunity	Before Risk Mitigation			Benefits of Implementation						
			Approved Project Activities	Feasibility of Occurrence by %	Cost (\$) Change if Occur	Duration Change if Occur (months)	Final Risk Reduction (Mitigation) Action	Cost (\$) to Implement	Final Probability of Occurrence by %	Final Cost Impact if Occur	Final Duration Change if Occur	Risk Owner
<b>Development and Public Outreach</b>												
	Has project need been defined and documented? <b>Yes. Facilities Master &amp; Plan CSA APPROVED.</b>											
	Is there a Communications Plan? <b>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.</b>											
	Will a public Outreach Consultant be required? <b>No. Has one been selected and approved? NA.</b>											
	Will there be a need for Community Open Houses? <b>No. If so, are these included in base schedule? NA.</b>											
	Has the project been publicly announced? <b>No. Have all communication materials been prepared for public communication? NA.</b>											
	Is there a risk of community opposition to the project? <b>No. If so, how will this impact cost and schedule? NA.</b>											
<b>Political and Other External Influences</b>												
	Are there any city issues related to the defined project? <b>No.</b>											
	Are there any potential Federal or tribal issues associated with the project? <b>No.</b>											
	Are there unresolved or potential legal issues that could impact the project cost or schedule? <b>No.</b>											
	Are there any external groups or stakeholders who will potentially oppose the project? <b>No.</b>											
	Are there potential public health and safety concerns with the project? <b>No.</b>											
<b>Engineering/Design and Scope Changes</b>												
	Are there major engineering design issues and uncertainties? <b>No.</b>											

Item	Risk Assessment Questions	Describe Risk or Opportunity	Before Risk Mitigation			Forward Risk Indication (Mitigation) Action	Cost (\$) to Implement	Benefits of Implementation			Risk Owner
			Affected Project Activities	Probability of Occurrence by %	Cost (\$) Change if Occur			Duration Change if Occur (months)	Residual Probability of Occurrence by %	Residual Cost Impact if Occur	
	Are there unknown conditions that could impact the assumed base design and scope? <b>Yes.</b>	<i>In situ soils, subsurface conditions and the water table could affect parking lot design.</i>	Detailed Engineering	30%	\$500,000	1	\$55,000	5%	\$2,500	0.5	Coy Wallace, PM
	Is there a risk that the scope of the planned project will change? <b>No.</b> 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? <b>Yes.</b>	<i>Pervious paving is assumed but may not work depending on subsurface conditions, or AHI requirements and conditions for permit issuance.</i>	Permitting	50%	\$250,000	2	\$50,000	10%	\$10,000	1	Coy Wallace, PM
	Are there control zone issues? <b>NA.</b>										
<b>Procurement</b>											
	Are there uncertain market conditions for long lead items? <b>No.</b>										
	Are there potential delays for procuring long lead items? <b>No.</b>										
	Is a bid process required for any major equipment and if so has this been included in the base schedule? <b>Yes, for Furnishure System.</b>										
	Has the material procurement process changed? <b>NA.</b>										
<b>Environmental and Permitting</b>											
	Has a permit assessment been completed? <b>Yes.</b> Have the major permit requirements been identified? <b>Yes.</b>										
	Will there be delays or issues with the SEPA determination? <b>NA.</b>										
	Is there a risk that an EIS will be required or that the SEPA determination will be appealed? <b>NA.</b>										
	Are there land use permits which must be acquired and will they require a Public Hearing before a Hearing Examiner? <b>NA.</b>										
	Is there a risk of appeal of any land use permits? <b>NA.</b>										

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


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

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

## 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	<b>Lower Lease Costs and Improve Space Use Efficiency and Effectiveness</b>	Joel Molander	<ul style="list-style-type: none"> <li>Contribute to meeting or beating five year plan and maximize long-term value</li> <li>Extract and leverage value from existing technology and assets</li> </ul>	<ul style="list-style-type: none"> <li>Relocate employees and consultants / contractors from Bellevue Campus to SKC facility</li> </ul>	<ul style="list-style-type: none"> <li>Embracing non-centralized (Bellevue) business/departmental and work location organizational and operational model</li> <li>Adopting Advanced Workplace Strategy (AWS) / Remote Workplace Options (RWO) objectives</li> </ul>	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		
<p>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.</p>															

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



Project Name		South King Complex Tenant Improvement									
Project Number											
Project Manager		Clay Wallace									
Project Description		Facilities - Tenant Improvements									
CIO Class	CIO #	Description of CIO	Original Contract Amount	Change Order Amount	CIO Status	Amount Approved	Amount Pending	Amount Anticipated	Contract - Approved CIO	Contract + Appr. + Pending + Anticipated CIO	
IT Network	001	Workplace Strategy Network Req.		\$366,905.00	Approved	\$ 366,905.00			\$ 366,905.00	\$ 366,905.00	
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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.