

# Rock Island Office and Multi-purpose Room Business Case



August 5, 2019

# Today's Objectives

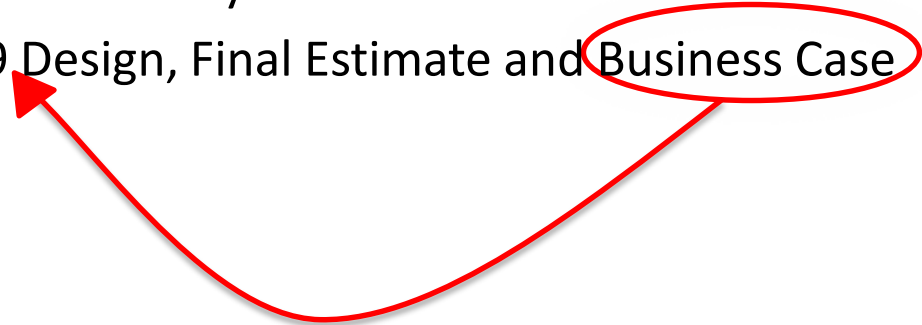
- **Discuss C-19 Business Case Re-Evaluation From 6/3/19 Board Meeting**
- **Rock Island Office- Why and Where**
  - Design Development-Start To Finish
    - Initial Plan
    - What Changed
    - A Business Case To Change Design
- **Provide Recommendation & Next Steps**
  - Select A Final Alternative and Initiate Final Design
  - Plan For Board Resolution and Actions in November 2019
  - No Action Requested Today

# We Left Off June 3, 2019

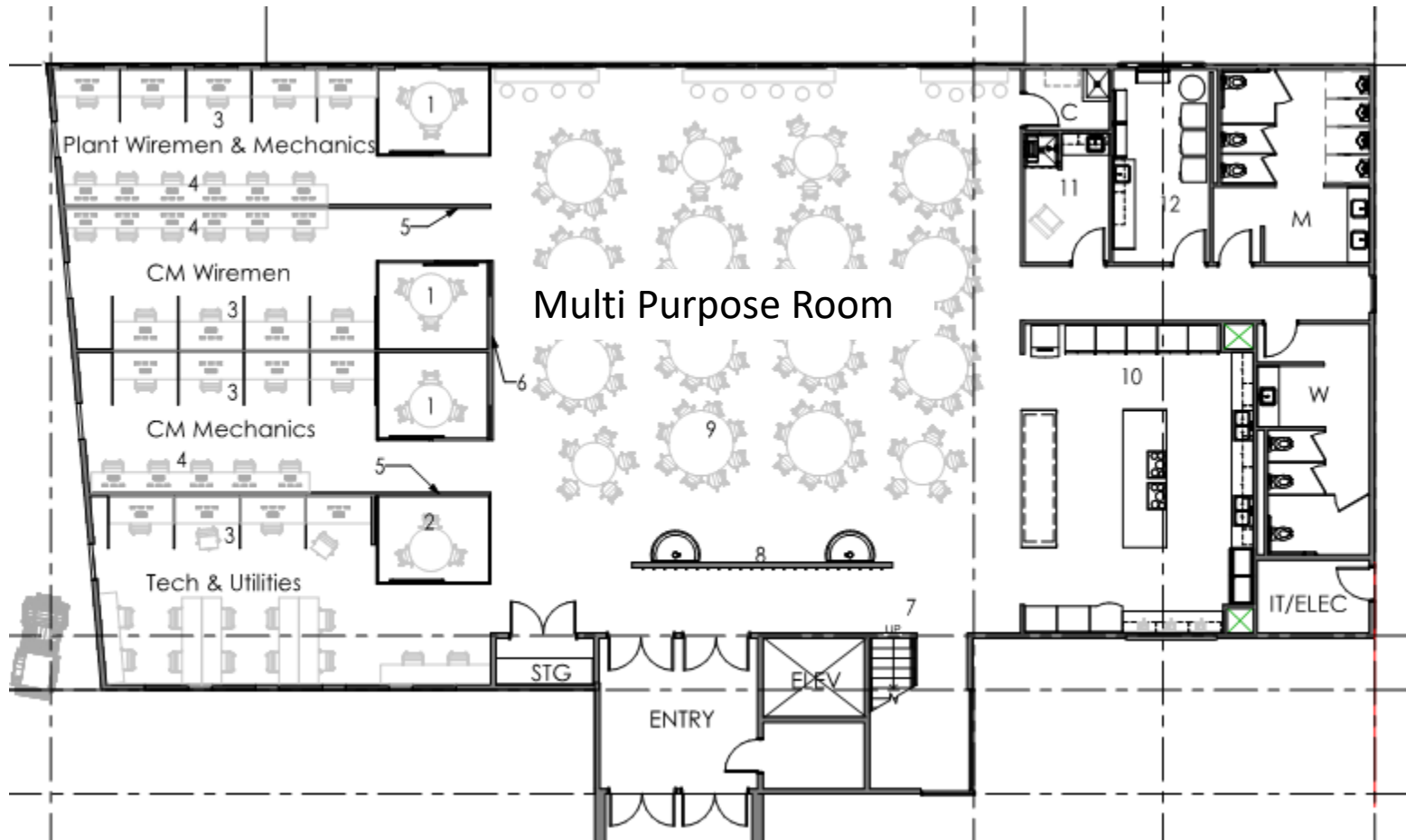
## Recommendation

### 2. Contract For GC/CM Work & Re-Evaluate C-19 Business Case

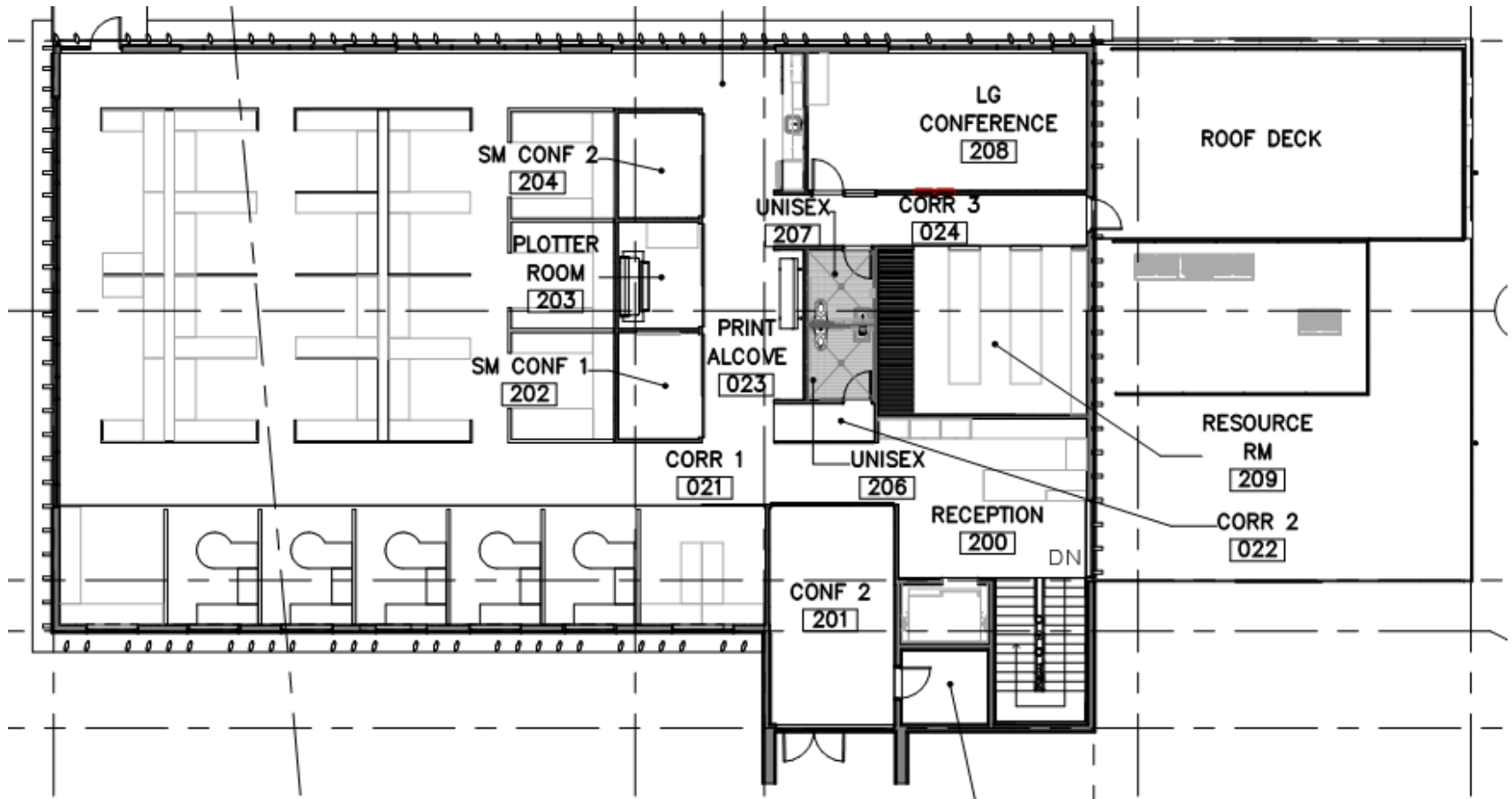
- Execute Guaranteed Maximum Price Amendment With GC/CM For Approx. \$21.2M ✓
- Begin Construction July 2019, Complete Work August 2020 ✓
- Complete Highest Priority Work Before PH2 Rehab Starts ✓
- Complete C-19 Design, Final Estimate and Business Case



# C-19 1<sup>st</sup> Floor Layout (60% Design Phase)



# C-19 2<sup>nd</sup> Floor Layout (60% Design Phase)



# Site Plan May 2019



\$36.4M Committed Spending, \$3.7M Remaining Budget



# Alternative 1 Rehab, Modulars, and Replacements (No New C-19 Building)



Net Life Cycle Cost/Benefit \$8.5M

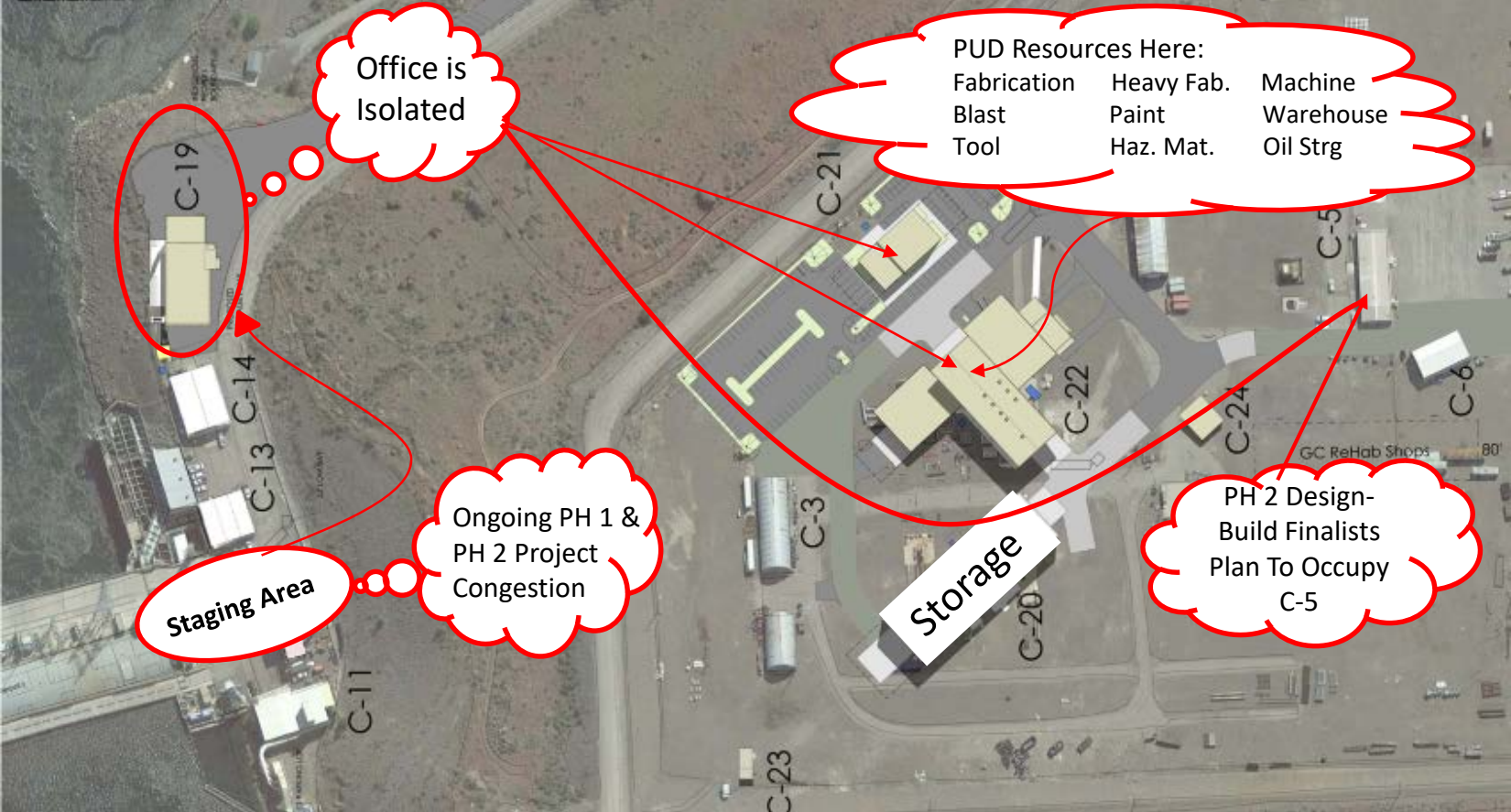
# Alternative 2 C-19 Located At Deck Level



Net Life Cycle Cost/Benefit \$6.8M



# What Has Changed....



# Changes From 2018 to 2019

- **Powerhouse 2 Rehab. Contractors**
  - Plan To Use Maint. Yard Office & Use Other Facilities
  - Seek To Integrate With District EPMD Team
  - Leads to EPMD Office (C-19) At Maint. Yard
- **District Seeks to Consolidate Shop, Storage, Crew Building and Large Meeting Room In One Area**
  - Better Communication and Work Efficiency
  - Leads to Meeting Room (C-19) At Maint. Yard
- **Staging Area Congestion Caused By Planned Projects**
  - Continued Powerhouse 1 Rehab.
  - Powerhouse 2 Crane Refurbishment
  - Powerhouse 2 Rehab.
  - Rock Island Spillway Rehab.

# Alternative 3 C-19 In Upper Yard



Net Life Cycle Cost/Benefit \$6.8M

# Alternative Comparison

		#1: Mod & Rehab	#2: C-19 @ Deck	#3: C-19 @ Yard
NPV	Go Forward Cost	≤ \$8.5 M	\$6.8 M	\$7.6 M
	Benefit	> \$0		\$0.8 M
	Net Cost / Benefit	≤ \$8.5 M	\$6.8 M	\$6.8 M
	Budget Increase:	\$2 M <sub>0</sub> + ≤ \$2.1 M <sub>1-10</sub>	\$3.1 M	\$3.9 M
Qualitative	Safety	Middle	Poor	Best
	Communication	Poor	Poor	Better
	Efficiency	Middle	Poor	Best
	Standardization	Poor	Better	Better



# Laying Out the Pros and Cons

Alternatives	Pros	Cons
<b>#1: Mod &amp; Rehab</b>	<ul style="list-style-type: none"> <li>+ Valuable open space years 11-50</li> <li>+ Lower initial budget</li> <li>+ Long-term flexibility</li> </ul>	<ul style="list-style-type: none"> <li>- Does Not Meet Standards</li> <li>- Higher cost in the long-run</li> </ul>
<b>#2: C-19 @ Deck</b>	<ul style="list-style-type: none"> <li>+ Least cost alternative going forward</li> <li>+ Facility standardization</li> <li>+ 50-year construction</li> </ul>	<ul style="list-style-type: none"> <li>- Valuable open space is gone</li> <li>- Increased congestion</li> <li>- Impaired safety and efficiency</li> </ul>
<b>#3: C-19 @ Yard</b>	<ul style="list-style-type: none"> <li>+ Valuable open space years 1-50</li> <li>+ Facility standardization</li> <li>+ 50-year construction</li> <li>+ Best aligned with HPI/OE Culture</li> </ul>	<ul style="list-style-type: none"> <li>- Higher go-forward cost than #2</li> </ul>

# Recommendation & Next Steps

- **Recommend Alternative 3**
  - Best Site Based on Current Knowledge
  - Reduces Congestion Improves Safety and Efficiency
  - Improves Flexibility For Future Uses At Upper and Lower Areas
  - Optimize Location & Integration With Other Facilities
  - Benefits Exceed Other Alternatives
- **Next Steps**
  - Design Alternative 3
  - Close-Out Resolutions August and September
    - 19-03 Rock Island Dam Lower Facilities Utility Project-\$222,400
    - 18-09 Rock Island Hydro Site Utility Improvements-\$1,757,402
  - November 2019 Budget & 5-yr Plan Amendment
  - November 2019 Resolution GC/CM Contract Amendment

# Lessons Learned

- We Valued What We Would Gain, But Not What We Would Lose.
- In The Initial Analysis, We Undervalued The Opportunity Cost of Building On Certain Sites: There *Is* Value In Keeping Open Areas.
- This Project May Have Benefited From More Thorough Evaluation and Commitment To Design Criteria At Conceptual Design. Better Communication With Hydro Management May Have Reduced Site Work, Design, and Project Management
- Continuing Evaluation Allows The District To Make Better Decisions and GC/CM Contracting Allows Flexibility To Use New Information To Meet Our Objectives

# Questions?

