

TO: Board of Commissioners
FROM: Sarah Reeves, Executive Director
Josh Tyler, Director of Operations
DATE: December 15, 2022
RE: Administrative Office Space Final Fit-Up Cost

This memo is to request authorization to amend the design services contract with Freeman French Freeman (FFF) for final fit up costs at 19 Gregory Drive, South Burlington. Please refer to the memos dated February 23, 2022, August 8, 2022, September 27, 2022, and October 18, 2022, for additional details regarding this project. At the October 18, 2022, meeting, staff presented a preferred Administrative Building option of leasing office space, and the Board approved the Executive Director to enter into a lease agreement with the City of South Burlington to lease 6,680 square feet of interior building space on the second floor of 19 Gregory Drive, South Burlington. A lease has been signed and Staff anticipates an occupancy date in early February.

February 23, 2022 the Board authorized the Executive Director to enter into a contractual agreement with FFF for the design services for a new Administrative Building at an amount not to exceed \$152,800. When the cost of a new build was identified to be significantly outside of the budgeted capital amount, staff pivoted to identifying lease space. Using the existing FFF contract, District staff directed FFF to develop a fit-up layout for 19 Gregory Drive. The fit-up includes two new meeting spaces, three new offices, a small break room, and subdividing existing offices into smaller spaces to accommodate staffing needs. We will be taking as much furniture with us as is practicable in order to minimize additional spending. Sarah Reeves, Amy Jewell, and Josh Tyler have co-managed the design and construction planning to date to minimize costs of project fit up. FFF is functioning as general contractor and providing construction oversight of their construction partner, Stewart Construction.

For comparison purposes and as a reminder FFF estimated new-build construction costs for an approximately 8,600 square foot (SF) building to be \$384/SF. Renovating 1021 Redmond Rd. had an initial estimate of \$500,000, at a cost of \$350/SF (this estimate may be low as it was not pursued beyond the initial). Similar interior office space fit-up work for a different FFF client came in this year at \$106/SF for approximately 7,000 SF office space and Stewart Construction estimates standard office fit up to be around \$95 - \$110/SF. Due to the majority of the walls already existing, the existing mechanical doesn't need much work, and the flooring installation is by the building owner, the District lease fit up price is much lower. Our fit-up costs at 19 Gregory are coming in at \$44/SF.

The existing FFF contract will need to be extended by \$183,712 to complete construction. Staff is requesting a 5% contingency be included with the contract extension request for an amount not to exceed \$192,900.

Be it Resolved that the Board of Commissioners authorizes the Executive Director to amend the total value of the contractual agreement with Freeman French Freeman, Burlington, Vermont, to accommodate construction fit up costs associated with the District's leased property at 19 Gregory Drive, South Burlington, for an amended contract amount not to exceed \$345,700.