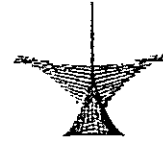




Milwaukee County
War Memorial Center



MILWAUKEE ART MUSEUM

Milwaukee County War Memorial Center/Milwaukee Art Museum – Facility Correctional Work August 20, 2014

5-Year WMC/MAM Work Plan - The Milwaukee County War Memorial Center (WMC/MAM) 5-year work plan was specifically developed to address unsafe conditions, water infiltration, poor indoor air quality, structural issues, and other building deficiencies in the county-owned Saarinen and Kahler buildings. Four consultant's reports served as the basis for defining, sequencing, and budgeting the work. Work activities were carefully scheduled to satisfy the above stated objectives, while allowing for optimum efficiency and cost effective solutions.

Management Process – A Development Agreement (“Agreement”) between Milwaukee County, WMC, and Milwaukee Art Museum (MAM) defines the required work, funding, and activity management to correct the above mentioned building deficiencies. This was designed, according to a collaborative and integrated approach, to allow for each of the important requirements to be met. Due to the critical nature and interrelationships of the work items, the overall objectives can only be met through careful planning, prioritization and sequencing. Therefore, the Agreement requires that both Milwaukee County/WMC and MAM regularly monitor and approve any change in sequence or deferral of work.

Financial Management - The “WMC 5-Year Cost Allocation” schedule within the Agreement itemizes the required work items, sequencing, and costs. The \$10M total for this work was the sole basis for the approved funding. MAM is separately funding \$15M for its 2014-2015 project. According to the Agreement, both parties are required to carry out the defined scope of work, with total savings or cost overages reverting back to them relative to each party's responsibilities. The 5-year work plan total does not include Milwaukee County's administrative and design expenses. “Exhibit A” indicates the budgeted amount of \$1.5M will deplete the available funds for the work to \$241,000 by Year-end 2015. It therefore requires that a facility assessment take place, followed by the necessary funding, to ensure the remaining work can take place during 2016-17 to satisfy the above stated objectives.

HVAC System Replacement - A key component of the 5-year work plan is the replacement of the Kahler Building HVAC system. The Milwaukee County HVAC design consultant had determined that additional work is required for the system replacement. This includes the replacement of contaminated primary supply ducts, the removal/replacement of concrete and masonry walls for access, and modifications to the deficient existing lake water chiller system. Milwaukee County has projected the cost increase for this work to be \$1,140,000. Potential funding options are as follows:

Option A

Upon receipt of the HVAC bids in October/2014, Milwaukee County authorizes additional 2015 funding for the variance between costs to date and the Agreement costs for: Bid Package #1 (Exterior envelope – Bid in July 2014) plus Bid Package #2 (Veterans deck and south stair – Bids in August 2014), plus Bid Package #3 (HVAC work -- Bids in October 2014). The Year-end 2015 assessment shall be performed according to the Agreement.

Option B

Milwaukee County acknowledges the 5-year work plan budget of \$10M was developed exclusive of administrative costs and therefore either 1) Approves the non-allocation of administrative costs for work within the Agreement or 2) Authorizes additional funding for administrative costs, over the \$10M, for work within the Agreement. With either “A” or “B”, Milwaukee County authorizes any additional 2015 funding that is required to complete the 2015 Cap EX requests submitted in July/2014, plus the HVAC added work described above. The Year-end 2015 assessment shall be performed according to the Agreement