

Legislation Text

File #: 3094, **Version:** 1

CC MEETING: February 7, 2017

DATE: January 31, 2017

TO: Erin Rinehart, City Manager

FROM: Cesar J. Molina, Jr., P.E., Director of Engineering

Consider **Authorizing The City Manager To Approve Change Order No. 3 With Turner Construction Company For The Construction Of The Police Headquarters Building And Site Elements** In The Amount Of \$50,000.00 To Guarantee A Maximum Price Of \$13,805,235.00.

BACKGROUND:

By Council approval on October 13, 2015, a contract was executed with Turner Construction Company for construction of the new police headquarters facility. On February 16, 2016, Council authorized the City Manager to approve a Guaranteed Maximum Price (GMP) of \$13,473,873 for construction of the new facility, which included allowances of \$138,200 for a fabric staging canopy and \$216,200 for secured perimeter fencing. Construction of the facility began in late February 2016 and the Police Department has begun to occupy the new building. The full contract scope, which includes demolition of the existing building, construction of the secured parking lot, staging canopy, Building D (SWAT and armory) and other associated amenities is currently on schedule for a May 2017 completion.

To date, two change orders have been authorized on the project. Council authorized \$257,362 for a structured steel canopy and motion sensor site lighting on September 6, 2016. Change Order No. 2 for additional fiberglass ballistic panels to provide increased protection in the lobby area was authorized administratively for \$24,000 on December 5, 2016. The current contract amount is \$13,755,235.

Construction manager-at-risk contracts such as the one currently executed for the police headquarters include contingency allowances to provide an expedient manner to accommodate unforeseen costs and minor additions in work common in all construction projects. Examples include unexpected conditions discovered during demolition, field refinements in design that were not possible during plan generation, and minor scope enhancement opportunities that improve the facility's function, efficiency or aesthetics at a reasonably minor cost. By contract, the contingency cannot be used by the contractor to correct deficient work or compensate for negligence in the original pricing. All charges against the contingency must be supported by detailed pricing information and be approved by the City. Typical construction contingencies for a project of this magnitude range from 5% to 10% of the total contract amount. As a cost control measure, the construction contingency for this project was set at 2.92% of the original contract amount, or \$394,019.

To date, approximately \$382,000 of the contingency has been committed towards the items discussed above. Specific examples include foundation adjustments in re-purposed portions of the building, additional infills to better secure the SWAT and armory areas of Building D, additional steel bracing identified during initial

erection, and landscaping modifications to allow more efficient long term maintenance by the Parks Department. Another significant area was in IT-related modifications and enhancements. With continuing advancement of various IT components, the full scope is often not completely defined during design. During the course of construction, there have been a number of tasks that were more conducive for the contractor to perform rather than Xerox.

While additional contingency items are not defined at this time, in order to maintain efficient project momentum, this change order requests authorization to increase the contingency amount by \$50,000.

FINANCIAL IMPLICATIONS:

This change order increases the original construction contingency allowance from \$394,019 to \$444,019, or 3.23% of the total contract amount, which is well below the industry average of 5% to 10%. This would increase the contract amount from \$13,755,235 to \$13,805,235, or 0.36%. Turner has not requested additional construction time for these modifications.

Original GMP Amount	\$13,473,873
Change Order 001 (Structured Canopy & Lighting	\$ 257,362
Change Order 002 (Additional Ballistic Panels)	\$ 24,000
<u>Total Amount of all Change Orders</u>	<u>\$ 281,362</u>
Revised GMP Amount	\$13,755,235
Contingency Increase Per this Item	\$ 50,000
Proposed GMP Amount	\$13,805,235
Total Percent Increase Including Previous Change Orders	2.46%

IMPACT ON COMMUNITY SUSTAINABILITY:

This project will contribute to community sustainability by providing adequate long-term police facilities and ensuring continuance of effective law enforcement operations for the citizens of Carrollton.

STAFF RECOMMENDATION/ACTION DESIRED:

Staff recommends City Council authorize the City Manager to approve change order no. 3 in the amount of \$50,000.00 for a Guaranteed Maximum Price of \$13,805,235.00 for the construction of the police headquarters and site elements.