

# Agenda Report

**TO:** CITY COUNCIL **DATE:** December 11, 2006

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT:** CITY HALL SEISMIC RETROFIT PROJECT - APPROVAL OF CONTINGENCY ADJUSTMENTS AND CHANGE ORDER #8 TO THE GENERAL CONTRACTOR AND AWARD A CONTRACT TO CORPORATE EXPRESS BUSINESS INTERIORS (CEBI) FOR FURNISH, DELIVERY, ASSEMBLY AND INSTALLATION OF MODULAR SYSTEMS OFFICE FURNITURE FOR THE PASADENA CITY HALL PROJECT, FOR AN AMOUNT NOT TO EXCEED \$ 500,000.

## **RECOMMENDATION**

It is recommended that the City Council:

- 1) Approve the allocation of \$ 301,276 from Project Contingency for unforeseen conditions and activities, as identified in Attachment #1, that were discovered during the retrofit of City Hall, thereby reducing the amount of Project Contingency from \$ 6,522,402 to \$ 6,221,126;
- 2) Authorize the City Manager to execute Change Order #8 to Contract Number 18,768-1 with Clark Construction Group-California, LP (Clark Construction) for increases in scope of work due to unforeseen conditions discovered during the retrofit of City Hall, as identified in Attachment #1, thereby increasing the contract amount by \$ 126,276 from \$ 80,920,510 to \$ 81,046,786; and
- 3) Accept the bid dated November 1, 2006, submitted by Corporate Express Business Interiors (CEBI) in response to the Plans and Specifications for the Furnish, Delivery, Assembly and Installation of Modular Systems Furniture for the Pasadena City Hall Project; reject all other bids received and authorize the City Manager to enter into a contract not to exceed \$ 500,000, which includes the base bid of \$ 473,699.75 and \$ 26,300.25 for any additional work the City may order pursuant to the project plans and specifications

## **CITY HALL RESTORATION OVERSIGHT COMMITTEE ADVISORY DIRECTION**

On November 8, 2006 and December 6, 2006, the City Hall Restoration Oversight

Committee reviewed the topics of contingency adjustments, General Contractor Change Order #8 and allocation for new systems furniture for City Hall and recommended the following:

The Committee concurred that the recommendations under Change Order #8 are reasonable and consistent with ongoing construction activities of similar projects. The Committee also concurred with the allocations associated with the purchase of new systems furniture for City Hall. In reviewing the recommendation for new systems furniture, careful consideration was given to the potential cost implications associated with the inefficiencies of moving the existing furniture and the Chamber Building lease extension. Thus it was recommended that the City Council authorize the allocation of \$301,276 from Project Contingency which includes an increase to Contract Number 18,768-1 with Clark Construction by \$126,276, and the allocation of \$175,000 toward the purchase of new systems furniture for City Hall.

### **BACKGROUND**

On January 31, 2005, the City Council authorized the City Manager to execute the City Hall general contractor contract (Contract Number 18,768) with Clark Construction in the amount of \$79,899,000. Seven change orders and the associated contingency adjustments have been approved by City Council to date bringing the current contract amount to \$80,920,510. Change Order #8 represents a settlement of 16 different cost items that resolve changes in the scope of work. These items include unforeseen field conditions, conflicts between the "original" drawings and the "as-builts", fire protection required additions/changes and items that were not a part of the contract drawings. This change order represents two months of negotiations with the general contractor on these items, which are detailed in the List of Contingency Adjustments (Attachment #1).

### **PROJECT CONTINGENCY ADJUSTMENTS**

The proposed Change Order #8, referenced as item #3 below, proposes to transfer \$301,276 from Project Contingency, resulting in a reduced Project Contingency balance of \$ 6,221,126 as follows:

1)	Beginning Project Contingency (1/31/05)	\$8,642,014
2)	City Council Approved Contingency Adjustments	(\$2,119,612)
	Current Project Contingency Balance	<u>\$6,522,402</u>
3)	Proposed Contingency Adjustments (12/11/06)	
A.	Modular Systems Office Furniture Adjustment	(175,000)
B.	General Contractor (Change Order #8)	<u>(126,276)</u>
C.	Total Contingency Adjustment	(301,276)
D.	Project Contingency Balance (12/11/06)	<u><u>\$6,221,126</u></u>

The change orders, including proposed Change Order #8 and the contract amendment, result in a 28% reduction in the Project Contingency balance, whereas the project is 83% completed.

**GENERAL CONTRACTOR CHANGE ORDER #8**

During ongoing construction, the general contractor has encountered unforeseen conditions as listed in Attachment #1. Contract Change Order #8 increases the scope of work to Contract Number 18,768-1 with Clark Construction in the amount of \$ 126,276, thereby increasing the contract sum to \$ 80,920,510 as follows:

1) Current City Council-Approved Contract Award	\$80,920,510
2) Proposed Change Order #8 (12/11/06)	\$126,276

Proposed Contract Sum:	\$81,046,786
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**MODULAR SYSTEMS OFFICE FURNITURE**

There is \$ 325,000 budgeted for the relocation of the existing modular system office furniture located in the Chamber Building back to City Hall. A recent cost analysis determined that the actual cost to relocate the existing systems furniture is \$530,000. After thorough review of the schedule, costs and logistics to relocate the existing furniture, a determination was made to pursue the installation of new modular systems furniture. The new furniture can be customized to fit into the City Hall spaces and provide for an overall aesthetic enhancement at a cost of \$500,000 therefore providing a cost savings of approximately \$30,000. More importantly the installation of new systems furniture will allow for the Chamber Building to be vacated by May 31, 2007, thus avoiding a six month lease extension of approximately \$750,000 at the end of the current lease. The relocation of the existing systems would require significantly more time in order to dismantle, package, move and re-assemble the furniture between the staff move phases. Furthermore, staff's work schedules may be affected if dismantling must occur during workdays due to the extra time needed to accomplish the relocation.

The Department of Public Works prepared specifications for the subject project and in accordance with Section 4.08.070 of the Pasadena Municipal Code, bids were requested and received. This project was advertised in the Pasadena Journal on October 12, 2006, and posted on the City's website. In addition, the Notice Inviting Bids was mailed to 17 businesses on the Purchasing Division's vendors list including 1 local firm. 23 contractors attended the mandatory pre-bid job walk six of whom submitted bids for the project.

Following advertising, bids were received on November 1, 2006, and are as follows:

<u>Bidder</u>	<u>Amount</u>
1. CEBI	\$ 473,699.75
2. Modular Office Solutions	\$ 524,299.00
3. Unisource Solutions	\$ 579,577.60
4. United Desk MFG	\$ 640,906.16
5. Prana Office	\$ 661,500.00
6. Work Place Resource	non responsive

It is recommended that Corporate Express Business Interiors (CEBI) be awarded the contract for this project as they are the lowest responsive and responsible bidder and that the other bids be rejected. The proposed contract with CEBI fully complies with the competitive bidding ordinance and the rules and regulations promulgated thereunder as did the Contractor selection process. The Contractor has indicated that this contract will result in no new hires to his present work force.

The contract for this project will be set up as follows:

Base Bid	\$ 473,699.75
Contingency Allowance	\$ 26,300.25
Contract "Not to Exceed" Amount	\$ 500,000.00

Construction will begin in February 2007, and will be completed in March 2007.

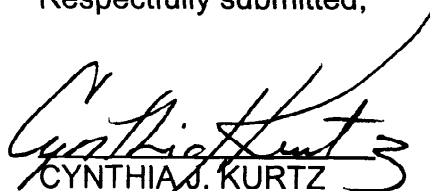
### **SCHEDULE CHANGES**

To date, no changes in the milestone completion dates have been authorized. The overall project is on schedule and unchanged since the award of the general contractor bid. The general contractor's date of Substantial Completion remains July 9, 2007, and the date of Final Completion remains October 8, 2007.


### **FISCAL IMPACT**

The City Hall project budget of \$117,594,083 has not changed since the award date of the general contractor's contract on January 31, 2005. The proposed contingency adjustment in the amount of \$ 301,276 reduces the total City Hall project contingency from \$6,522,402 to \$6,221,126.


Respectfully submitted,

  
CYNTHIA J. KURTZ  
City Manager

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Department of Public Works

Approved by:

  
Martin Pastucha, Director  
Department of Public Works

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
1	<b>I.</b>	<b>Beginning Contingency Balance 1/31/05</b>	<b>\$ 8,642,014</b>	
2				
3				
4	<b>II.</b>	<b>City Council Approved Contingency Adjustments</b>	<b>(2,119,612)</b>	
5				
6	<b>III.</b>	<b>Proposed Contract Adjustments 12/11/06 (tentative)</b>		
7	A.	Proposed General Contractor Adjustments 12/11/06 (Change Order #8).		
8	CCD 68	Corrective action to extensive paint chips and failures due to years of existing paint build-up and weather on the exterior of the building at all 4 stair towers and the 1st and 2nd floor loggias.	(68,003)	Insufficient architectural information shown in the specifications - no cost impact to project contingency.
9	CCD 68	Corrective action to exterior paint chips and failures. Amount released from contract schedule of values (line item #000080) Exterior restoration allowance for contractor payment.	68,003	CCD #68 - cost will be offset by construction allowances - no cost impact to project contingency.
10	CCD 124	Re-connect (22) 1st floor balcony drain outlets that pass through the moat.	(22,154)	Unforeseen field condition.
11	CCD 126	Add chrome baffles to hide light fixtures and modify mechanical duct work leading to these soffits in restrooms N025, N027, N132, N135, S012 and S104.	(10,525)	Insufficient architectural information shown in the drawings.
12	CCD 151	Re-connect rain water leader tie-in at demolished arcade roof - 2 locations.	(8,472)	Unforeseen field condition.
13	CCD 155	Addition of 7 taps & 11 valves for future mechanical connections on the main line piping in the basement and cooling tower areas.	(21,606)	Requested by city maintenance.
14	CCD 163	Corrective work to the copper cladding and sheetmetal flashing for the main dome and stair towers #2 and #4 including riveting and soldering of split seams, replacing missing fasteners, filling various holes etc.	(10,323)	Unforeseen field condition - no cost impact to project contingency.

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
15	CCD 163	Corrective work to the copper cladding and sheetmetal flashing. Amount released from contract schedule of values (line item #000070 for \$4,736.00 and #000080 for \$5,587.00) Rough Carpentry & Exterior Restoration allowance for contractor payment.	10,323	CCD #163 - cost will be offset by construction allowance.
16	CCD 169	Delete the demolition and installation for new window at 2nd floor North room N248.	6,670	City requested credit.
17	CCD 174.2	Council Chamber ceiling fire protection modifications to the main line, branch lines and 15 sprinkler heads.	(13,508)	Unforeseen field condition.
18	CCD 181	Additional control system power to feed the controls actuator motors for the fan coil units on the 2nd floor and attic in support of modifications to the motor sizes (4 AHU units, 8 additional j-boxes, 5 additional circuits)	(25,605)	Insufficient electrical information shown on drawings.
19	CCD 184	Add roof hatch and ladder for Northeast roof well.	(5,042)	Unforeseen field condition - no cost impact to project contingency.
20	CCD 184	Add roof hatch. Amount released from contract schedule of values (line item #000070) Rough Carpentry allowance for contractor payment.	5,042	CCD #184 - cost will be offset by construction allowances - no cost impact to project contingency.
21	CCD 196	Remove old curtain brackets and repair holes in window frames.	Void	Voided by General Contractor.
22	CCD 198	Added flashing at 5th floor duct penetrations.	Void	Voided by General Contractor.
23	CCD 209	Demo existing fire hose cabinets and patch to match adjacent finish per Pasadena Fire Department (at 1st, 2nd and 3rd floor landings at all 4 stair towers - total 12).	(11,670)	Required by Pasadena Fire Department.
24	CCD 212	Remove and give to the City the original Fire Department Connection.	Void	Voided by General Contractor.
25	CCD 218	Changes to the electrical feed for AHU-1 due to a increase from a 5 hp unit to a 7 hp unit.	(886)	Insufficient mechanical information shown in the drawings.

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

A.	B.	C.	E.
	Description	Total	Comments
26	CCD 221 New glazing work (replacing lexan plastic windows for obscure/clear glass - 26 panels, remove old window film and replace with new - 95 panels) associated with Bulletin Number 1-courtyard windows.	(18,520)	Owner, Architect decision due to historical considerations.
27			
28	Total General Contractor Adjustment (Change Order #8)	(126,276)	
29			
30	B. Proposed City Contracted Adjustments 12/11/06.		
31	1. Modular Systems Office Furniture Adjustment - Corporate Express Business Interiors (CEBI)	(175,000)	CEBI's total contract amount is for \$473,699.75 and \$26,300.25 for any additional work for a "not to exceed" contract for \$500,000.00. Of this amount, \$325,000.00 was anticipated in the project budget and project contingency will be reduced by \$175,000.00.
32			
33			
34			
35	IV. Ending Contingency Balance (12/11/06 tentative)	6,221,126	
36			

**Disclosure Pursuant to the  
City of Pasadena Taxpayer Protection Amendment of 2000  
Pasadena City Charter, Article XVII**

Contractor/Organization hereby discloses its trustees, directors, partners, officers, and those with more than a 10% equity, participation, or revenue interest in Contractor/Organization, as follows:  
(If printing, please print legibly. Use additional sheets as necessary.)

**1. Contractor/Organization Name:**

Corporate Express Business Interiors

**2. Name(s) of trustees, directors, partners, officers of Contractor/Organization:**

Mark Hoffman - President CEO
John Brenholt - Senior VP/CFO
Nan Wilson - Treasurer

**3. Names of those with more than a 10% equity, participation or revenue interest in Contractor/Organization:**

None

Prepared by: Debi Bissinger

Title: Administrative Assistant

Date: 11.1.06

For office use only: Contract/Transaction No. _____
If not a contract, type of transaction: _____