

Agenda Report

TO: CITY COUNCIL **DATE:** July 24, 2006

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: CITY HALL SEISMIC RETROFIT PROJECT -
APPROVAL OF CONTINGENCY ADJUSTMENTS AND CHANGE
ORDER #6 TO THE GENERAL CONTRACTOR AND A CONTRACT
AMENDMENT FOR CONSTRUCTION MANAGEMENT

RECOMMENDATION

It is recommended that the City Council:

- 1) Approve the allocation of \$ 300,283 from Project Contingency for unforeseen conditions and activities, as identified in Attachments #1, that were discovered during the retrofit of City Hall, thereby reducing the amount of Project Contingency from \$7,328,232 to \$ 7,027,949;
- 2) Authorize the City Manager to execute Change Order #6 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 \$ 208,283 from \$80,206,680 to \$ 80,414,963; and
- 3) Authorize the City Manager to execute an Amendment to Contract Number 16,976-1 with Daniel, Mann, Johnson and Mendenhall (DMJM) for additional construction management services and move coordination services in connection with the restoration and seismic retrofit of City Hall, as identified in Attachment #1, to increase the "not to exceed" amount by \$325,000 from \$3,370,588 to \$ \$3,695,588.

CITY HALL RESTORATION OVERSIGHT COMMITTEE ADVISORY DIRECTION

On June 14, 2006 and July 12, 2006, the City Hall Restoration Oversight Committee reviewed and discussed the above topics of contingency adjustments, General Contractor Change Order #6, and the contract amendment with DMJM for construction management services and recommended the following:

The Committee concurred that these changes are reasonable and consistent with ongoing construction activities of similar projects. The committee recommended that the City Council authorize the allocation of \$ 300,283 from Project Contingency and increase Contract Number 18,768-1 with Clark Construction by \$ 208,283 and increase Contract Number 16,976-1 with DMJM by \$325,000.

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. On May 23, 2005, the City Council authorized the City Manager to execute an amendment to Contract Number 18,768 with Clark Construction, reflecting the revised Change Order Approval Authority of the City Manager. The amended contract is Contract Number 18,768-1.

On August 15, 2005, November 21, 2005, February 27, 2006, April 24, 2006, and June 12, 2006, the City Council authorized the City Manager to execute Change Order #1, #2, #3, #4 and #5, respectively, to Contract Number 18,768-1 with Clark Construction for a combination of scope reductions and increases.

PROJECT CONTINGENCY ADJUSTMENTS

During ongoing construction, the project has encountered unforeseen conditions as detailed in the List of Contingency Adjustments (Attachment #1). The proposed Change Order #6, referenced as item #7 below, proposes to transfer \$ 300,283 from Project Contingency, resulting in a reduced Project Contingency balance of \$ 7,027,949 as follows:

1)	Beginning Project Contingency (1/31/05)	\$8,642,014
2)	City Council Approved Contingency Adjustment (8/15/05)	(351,207)
3)	City Council Approved Contingency Adjustment (11/21/05)	(367,791)
4)	City Council Approved Contingency Adjustment (2/27/06)	(234,507)
5)	City Council Approved Contingency Adjustment (4/24/06)	(309,534)
6)	City Council Approved Contingency Adjustment (6/12/06)	(50,743)
	Project Contingency Balance (6/12/06)	<u>\$7,328,232</u>
7)	Proposed Contingency Adjustments (7/24/06)	
A.	General Contractor (Change Order #6)	(208,283)
B.	Contract Amendment (DMJM)	(92,000)
C.	Project Contingency Balance (7/24/06)	<u><u>\$7,027,949</u></u>

The change orders, including proposed Change Order #6 and the contract amendment, result in a 19% reduction in the Project Contingency balance, whereas the project is 70% completed.

GENERAL CONTRACTOR CHANGE ORDER #6

During ongoing construction, the general contractor has encountered unforeseen conditions as listed in Attachment #1. This contract Change Order #6 increases the scope of work to Contract Number 18,768-1 with Clark Construction in the amount of \$208,283, thereby increasing the contract sum to \$ 80,414,963 as follows:

1) Current City Council-Approved Contract Award	\$80,206,680
2) Proposed Change Order #6 (7/24/06)	\$208,283
Proposed Contract Sum:	<u>\$80,414,963</u>

PROJECT CONSTRUCTION MANAGEMENT CONTRACT AMENDMENT

Staff recommends an increase to Contract Number 16,976-1 with DMJM in the amount of \$ 325,000 for changes in the scope of work that include \$233,000 for the oversight of the owner-contracted items of work that were removed from the general contractor's work plan and for completion of the move services associated with the reoccupancy of City Hall; and \$92,000 for additional staffing levels required of DMJM to partially compensate for the loss of the City Hall Project Manager. As detailed in Attachment #1, the additional scope of work is for unassigned and unanticipated services:

1) Current City Council Approved Construction Management Contract	\$ 3,370,588
2) Proposed Contract Increases	
a. Unassigned scope of work (Project Budget)	\$ 233,000
b. Unanticipated scope of work (Project Contingency)	<u>\$ 92,000</u>
c. Proposed contract amendment (7/24/06)	\$ 325,000
Proposed Contract	\$ 3,695,588

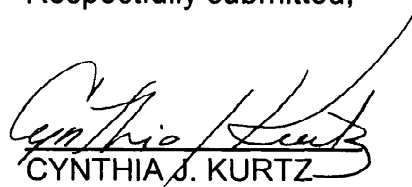
SCHEDULE CHANGES

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

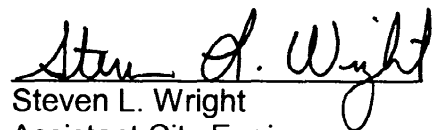
The City Hall project budget of \$117,594,083 has not changed since the award date of the general contractor's contract on January 31, 2005. The proposed contingency adjustment in the amount of \$ 300,283 reduces the total City Hall project contingency from \$7,328,232 to \$7,027,949.

Respectfully submitted,



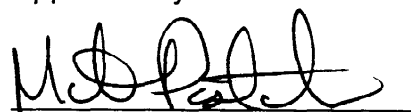
CYNTHIA J. KURTZ
City Manager

Prepared by:



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Approved by:



Martin Pastucha, Director
Department of Public Works

CITY HALL SEISMIC RETROFIT PROJECT

Contingency Adjustments Detail

	A.	B. Description	C. Total	E. Comments
1	I.	Beginning Contingency Balance 1/31/05	\$ 8,642,014	
2				
3	II.	City Council Approved Changes 8/15/05	(351,207)	
4				
5	III.	City Council Approved Changes 11/21/05	(367,791)	
6				
7	IV.	City Council Approved Changes 2/27/06	(234,507)	
8				
9	V.	City Council Approved Changes 4/24/06	(309,534)	
10				
11	VI.	City Council Approved Changes 6/12/06	(50,743)	
12				
13	VII.	Proposed Contract Adjustments 7/24/06 (tentative)		
14	A.	Proposed City Contracted Adjustments 7/24/06.		
15	1	DMJM	(92,000)	Increase DMJM's contract for the amount of \$325,000 for additional construction management and move coordination services. Please note that this increase to DMJM's contract will reduce project contingency by \$92,000 and result in the re-allocation of budgeted items in the amount of \$233,000.
16				
17	B.	Proposed General Contractor Adjustments 7/24/06 (Change Order #6).		
18	CCD 40	Over-excavation of existing unacceptable soil conditions in the basement.	(5,934)	Unforeseen field condition.
19	CCD 64	Electrical and mechanical modifications required to room N312 due to the presence of an existing concrete wall that divides this room in half.	(19,185)	Insufficient architectural information shown on drawings.

CITY HALL SEISMIC RETROFIT PROJECT

Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
20	CCD 66	Removal of existing elevator casings and pistons in the basement.	(3,922)	Unforeseen field condition.
21	CCD 70	Replace window sills and casings at windows 3E01, 3E04 and 3E06.	(5,728)	Insufficient architectural information shown on drawings.
22	CCD 77	Add 1-hour rated shaft in elevator machine Room 401 to enclose new electrical feeders.	(2,665)	Required by CBC.
23	CCD 87	The existing sewer line connections that cross Union Street does not exist due to the parking structure on the South side of Union Street. The building sewer line has been re-routed from Euclid Street and runs along the sidewalk on Union towards Garfield.	(37,560)	Unforeseen field condition.
24	CCD 88	Modify the base connection of the Historical Pole Lights (2 at the Garfield side and 2 in the courtyard side) to mount on top of the slider plates.	(3,685)	Added structural requirements.
25	CCD 89	Remove the abandoned fire hose cabinets and recess (5) new flush mounted fire hose cabinets located on the 2nd loggia and outside of the stair towers on the 3rd floors.	(1,984)	Fire protection changes due to field conditions.
26	CCD 91	Additional sawcutting (5 floor openings) required to allow the installation of HVAC ducts in rooms N109 and S116.	(2,562)	Insufficient architectural/structural information shown on drawings.
27	CCD 93	Existing locksets and exit devices do not meet current fire and life safety codes, provide new locksets and exit devices (18) at the salvaged doors on 2nd floor North and South and add new escutcheon trims (67) at doors on the 2nd floor loggia.	(31,575)	Required by CBC. Reference CCD's 117 and 127.
28	CCD 100	Demo and reframe existing columns in restroom S127 to allow installation of mirrors.	(3,478)	Unforeseen field condition.
29	CCD 105	Replacement of pre-existing broken windows (20) prior to Clark taking possession of the site.	(15,013)	Pre-existing condition.
30	CCD 107	Replace (16) window panes with tempered glass at the 4th floor that are within 18" of the floor per code.	(5,526)	Required by CBC. Reference CCD 139.
31	CCD 109	Additional rebar at isolator pads at line J,P/6.1.	VOID	Voided by General Contractor.

CITY HALL SEISMIC RETROFIT PROJECT

Contingency Adjustments Detail

	A.	B. Description	C. Total	E. Comments
32	CCD 110	Bulletin Number 1- delete various modifications to the courtyard windows and add window shades.	72,108	Owner, Architect decision due to historical considerations.
33	CCD 112	Additional drilling (4) 2" dia x 18" long holes for existing column and base plate to new footings in the basement.	(554)	Added structural requirements.
34	CCD 116	Epoxy grout the gap between the base plate and isolators at the dome columns.	(2,520)	Added structural requirements.
35	CCD 117	Provide power for ADA openers for door locks (6 doors) on 1st floor North and 3rd floor South and provide new hardware sets for (3) doors on 2nd floor.	(21,129)	Required by ADA. Reference CCD's 93 and 127.
36	CCD 118	Add plaster ceiling at vault room N202 to conceal piping, reframe portions of existing walls that are in poor conditions at the 4th floor.	(4,981)	Unforeseen field condition.
37	CCD 120	The existing wall radiator and associate piping in room N235 needs to be moved due to a conflict with the new break counter.	(959)	Unforeseen field condition.
38	CCD 121	Corrective action to extensive paint chips and failures due to years of existing paint build-up on the interior face on the perimeter walls at the 3rd floor North and South.	(11,076)	Additional problems became apparent after building vacancy.
39	CCD 122	Remove stud walls and re-plaster to match adjacent finishes at 3rd floor rooms N303, S303, S350 and the roof ladder shaft leading to the Southeast roof.	(6,304)	Unforeseen field condition.
40	CCD 127	Add new escutcheon trims (28 sets) at doors on 3rd floor South.	(13,559)	Unforeseen field condition. Reference CCD's 93 and 117.
41	CCD 128	Add (23) decorative white oak boxes to conceal overhead door openers for various doors located on the 1st, 2nd and 3rd floors.	(18,456)	Unforeseen field condition.
42	CCD 132	Demo & reframe walls in rooms N138 & N140 adding a plaster finish to match adjacent finishes.	(13,222)	Unforeseen field condition.
43	CCD 135	New exterior uplighting fixture changes at main entry lighting due to structural considerations.	(8,537)	Unforeseen field condition.
44	CCD 139	Replace (28) window panes with tempered glass at the 1st floor that are within 18" of the floor per code.	(7,737)	Required by CBC. Reference CCD 107.

CITY HALL SEISMIC RETROFIT PROJECT

Contingency Adjustments Detail

	A.	B. Description	C. Total	E. Comments
45	CCD 140	Add footing to avoid structural damage to the clay tile wall at elevator lobby South wall room N103 and at the North wall at stair #5 lobby room S101.	(3,265)	Added structural requirements.
46	CCD 142	Modify collector steel attachments @ 3rd floor stair towers 1 and 2.	(4,855)	Added structural requirements.
47	CCD 146	Filling existing core holes at J/5 line in the basement before jacking column.	(1,328)	Added structural requirements.
48	CCD 147	Additional cast stone paint removal at the main dome - 4 locations.	(3,527)	Unforeseen field condition - costs will be offset by construction allowances- no cost impact to project contingency.
49	CCD 147	Additional cast stone paint removal: Amount released from contract schedule of values (line item No. 000080) Exterior restoration allowance for contractor payment.	3,527	CCD 147 costs will be offset by contract allowances - no cost impact to project contingency
50	CCD 148	Add (31) receptacles above the ceiling adjacent to the heat pumps for the condensate pump feeds on the 1st floor North.	(7,445)	Insufficient electrical information shown on drawings.
51	CCD 150	Remove 3/4 height walls and replace with full height walls in rooms S206, S219 and S220 on 2nd floor South.	(6,672)	Unforeseen field condition.
52	CCD 161	Provide (2) 14 x 14 air grills to be installed in existing trimwork in lieu of (1) 20 x 20 grill in rooms S241 & S246.	(3,003)	Unforeseen field condition.
53	CCD 166	Existing electrical devices to be re-fed from a new electrical panel for the information kiosk.	(5,972)	Insufficient electrical information shown on drawings.
54	CCD 172	Replace missing copper cladding at the Northeast stair tower cupola, stair Number 2.	(51,977)	Unforeseen field condition - costs will be offset by construction allowances- no cost impact to project contingency.

CITY HALL SEISMIC RETROFIT PROJECT

Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
55	CCD 172	Replace missing copper cladding at the Northeast stair tower cupola, stair Number 2.	51,977	CCD #172 - costs will be offset by construction allowances- no cost impact to project contingency.
56		Total General Contractor Adjustment (Change Order #6)	(208,283)	
57				
58				
59	VIII.	Ending Contingency Balance (7/24/06 tentative)	7,027,949	
60				