

# Agenda Report

**TO:** CITY COUNCIL **DATE:** April 30, 2007

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT:** CITY HALL SEISMIC RETROFIT PROJECT - APPROVAL OF CONTINGENCY ADJUSTMENTS AND CHANGE ORDER #11 TO THE GENERAL CONTRACTOR AND AWARD A PURCHASE ORDER CONTRACT TO KIMBALL INTERNATIONAL MARKETING, INC. FOR FURNISH, DELIVERY, ASSEMBLY AND INSTALLATION OF OFFICE AND CONFERENCE ROOM FURNITURE FOR THE PASADENA CITY HALL PROJECT, FOR AN AMOUNT NOT TO EXCEED \$680,000.

## **RECOMMENDATION**

It is recommended that the City Council:

- 1) Approve the allocation of \$426,517 from Project Contingency for unforeseen conditions and project activities, as identified in Attachment #1, that were discovered during the retrofit of City Hall, thereby reducing the amount of Project Contingency from \$4,586,828 to \$4,160,311; and
- 2) Authorize the City Manager to execute Change Order #11 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 \$355,775 from \$82,861,084 to \$83,216,859; and
- 3) Recognize \$609,258 in previously unappropriated investment earnings from the 2006 Rose Bowl / City Hall Certificates of Participation in the City Hall Seismic Upgrade and Exterior Restoration Project No. 71904 and transfer a like amount to the non-departmental portion of the Fiscal Year 2007 General Fund Operating Budget;

- 4) Authorize the issuance of a purchase order to Kimball International Marketing, Inc. to furnish, deliver, assemble, and install office and conference room furniture for the Pasadena City Hall Project; and authorize the City Manager to enter into a purchase order contract not to exceed \$ 680,000. The proposed purchase is exempt from competitive bidding pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services.

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

On April 11, 2007, the City Hall Restoration Oversight Committee reviewed the topics of contingency adjustments, General Contractor Change Order #11 and allocations for new office furniture for some of the City Hall spaces and recommended the following:

The Committee concurred that the recommendations under Change Order #11 are reasonable and consistent with ongoing construction activities of similar projects. The Committee also concurred with the allocations associated with the purchase of new furniture for various offices and conference rooms in City Hall. Thus it was recommended that the City Council authorize the allocation of \$426,517 from Project Contingency which includes an increase to Contract Number 18,768-1 with Clark Construction by \$355,775, and the allocation of \$680,000 toward the purchase of new furniture for various offices and conference rooms in 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. Ten change orders and the associated contingency adjustments have been approved by City Council to date bringing the current contract amount to \$83,216,859. Change Order #11 represents a settlement of forty one 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 cumulative change order is detailed in the List of Contingency Adjustments (Attachment #1).

### **PROJECT CONTINGENCY ADJUSTMENTS**

The proposed Change Order #11 and the recommendation to purchase office and conference furniture, referenced below, proposes to transfer a total of \$426,517 from Project Contingency, resulting in a Project Contingency balance of \$4,160,311 as follows:

1)	Beginning Project Contingency (1/31/05)	\$8,642,014
2)	City Council-Approved Contingency Adjustments	(4,055,186)
	Current Project Contingency Balance	4,586,828
3)	Proposed Contingency Adjustments (4/30/07)	
	A. Furniture Adjustment	(70,742)
	B. General Contractor (Change Order #11)	(355,775)
	C. Project Contingency Balance (4/30/07)	\$4,160,311

The project is 95% completed, and approximately 48% of the contingency funds have been expended.

### **GENERAL CONTRACTOR CHANGE ORDER #11**

During ongoing construction, the general contractor has encountered unforeseen conditions as listed in Attachment #1. Contract Change Order #11 increases the scope of work to Contract Number 18,768-1 with Clark Construction in the amount of \$355,775 thereby increasing the contract sum to \$83,216,859 as follows:

1)	Current City Council-Approved Contract Award	\$82,861,084
2)	Proposed Change Order #11 (4/30/07)	\$355,775

Proposed Contract Sum:	<u>\$83,216,859</u>
------------------------	---------------------

### **OFFICE AND CONFERENCE ROOM FURNITURE**

In preparation for the reoccupancy of City Hall, a visual and physical inspection was performed on the existing office and conference room furniture in the Chamber Building, as well as furniture that has been stored in the Highland Plastics facility for the past three years. The analysis determined that a large percentage of the furniture is both cosmetically and structurally damaged. Only 30 percent of the existing furniture is in good working condition and will be used where deemed appropriate in the reoccupancy process.

The purchase of new furniture will provide a more aesthetic appeal to the building and have positive ergonomic impacts. New furniture will also complement the investments that were made to upgrade the interior finishes which include flooring, window coverings, walls and ceilings.

It is recommended that Kimball International Marketing, Inc. be awarded the purchase order contract for this project. Kimball International currently has an active contract with the State of Texas pursuant to the Texas Multiple Award Schedule (Contract TXMAS -3-711060). Furniture pricing for this contract is based on prices offered to the State of Texas and are discounted 60% below list price. The proposed contract with Kimball International is exempt from competitive bidding pursuant to City Charter section 1002(H), contracts with other governmental entities or their contractors for labor, material, supplies or services

The furniture purchasing guidelines will be pursued based on the following outline:

Office Furniture	\$ 500,000.00
Conference Room Furniture	\$ 180,000.00
Total Office Furniture Amount	\$ 680,000.00

If approved, staff will work within the purchasing guidelines to procure the furniture as quickly as possible in order to minimize associated costs related to multiple moves. Furniture delivery will begin in May 2007 and coordinated with the various move phases and reoccupancy process that will be completed in July 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. The contractor is proceeding with the accelerated schedule approved by City Council in Change Order #9 to allow incremental occupancy of the building by the City beginning on April 30, 2007.

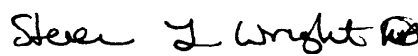
### **FISCAL IMPACT**

In February 2006, the City issued the \$47 million 2006 Rose Bowl / City Hall Certificates of Participation. To date a total of \$1,523,144 in investment earnings has been generated in the construction funds for the City Hall project as well as the Rose Bowl Locker Room and Media Center Improvement project. These funds may only be used for the City Hall project or the Locker Room and Media Center project and are not anticipated to be needed to complete either project. Staff recommends recognizing a portion of these funds, \$609,258, transferring a like amount to the Fiscal Year 2007 Operating Budget for the purchase of furniture. The balance of funding for this purchase will come from a \$70,742 reduction in project contingency funds. This action does not change total appropriations in the City Hall project. The total proposed contingency adjustment in the amount of \$426,517 reduces the total City Hall project contingency from \$4,586,828 to \$4,160,311.

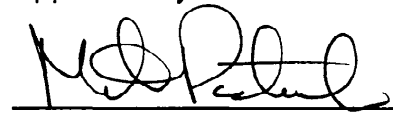
Respectfully submitted,

  
 CYNTHIA J. KURTZ  
 City Manager

Prepared by:

  
 Steven L. Wright  
 Assistant City Engineer  
 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	I.	<b>Beginning Contingency Balance 1/31/05</b>	<b>\$ 8,642,014</b>	
2				
3				
4	II.	<b>City Council Approved Contingency Adjustments</b>	<b>(4,055,186)</b>	
5				
6	III.	<b>Proposed Contract Adjustments 4/30/07 (tentative)</b>		
7	A.	Proposed General Contractor Adjustments 4/30/07 (Change Order #11).		
8	CCD 53	Repairs to existing metal raceway on 1st, 2nd and 3rd floors.	(26,467)	Problems became apparent after building vacancy.
9	CCD 129	Change #8 rebar to #9 rebar in 6th floor dome.	(2,052)	Unforeseen field condition.
10	CCD 179	Additional cast stone repairs: courtyard side of the 4th/5th/6th floor dome pineapples/urns/columns; crack & mortar repair @ 1st floor balconies north elevation; finials repairs @ stair towers 1, 3 & 4; crack & mortar repairs inside fountain basin & concrete apron; correction action to existing exterior paint failures on stair towers #1/3.	(57,825)	Unforeseen field condition - no cost impact to project contingency.
11	CCD 179	Additional cast stone repairs. Amount released from contract schedule of values (line item 000060 for \$47,755 and line item #000090 for \$10,070) Architectural & Directional Signage, Additional Battery Back-up Power Supply.	57,825	CCD #179 - cost will be offset by construction allowances - no cost impact to project contingency.
12	CCD 186	Bulletin #6 - Column reinforcement modifications and anchorage details on line K/4.7 under the dome in the basement.	(14,977)	Unforeseen field condition.
13	CCD 192	Additional modifications to electrical vault, add louvers, drill and epoxy bars for removable curb, encase existing exposed drain lines.	(10,600)	City requested change and unforeseen field conditions.
14	CCD 205	Existing cored holes to be filled to achieve fire ratings in elevator machine room 401.	(3,391)	Unforeseen field condition.
15	CCD 214	Change roofing material from a traffic coating roof to a built-up roof outside of room S330 and the roof entrance to the South attic.	(7,321)	Unforeseen field condition.

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
16	CCD 226	Add natural gas vents from the boiler gas regulators to outside the boiler room.	(5,542)	Insufficient information on the mechanical drawings.
17	CCD 235	Extend end of cap beam to interior face of moat wall at East dome & add #4 bars top & bottom.	(1,678)	Unforeseen field condition.
18	CCD 239	Add heat pump for the IDF room S224 including electrical and ductwork modifications.	(29,123)	City requested change.
19	CCD 242	Corrective action to extensive paint chips and failures due to years of existing paint build-up on walls for rooms S212, N201, N204, N326, S345, S352 and N311.	(24,474)	Additional problems became apparent after building vacancy.
20	CCD 245	Add heat pump to S247 including electrical and ductwork modifications.	(47,108)	Unforeseen field condition.
21	CCD 248	Add structural steel supports at both ends of the arcade connections to the bldg.	(3,321)	Unforeseen field condition.
22	CCD 250	Cut, lower, re-tie rebar & steel to allow room for stressing clearances at West jacket wall.	(5,390)	Unforeseen field condition.
23	CCD 252	At door opening S345D add a light pocket & soffit and repair existing wall, relocate (2) electrical boxes in room S246C, locate (2) speakers in room S239, skim coat room S249 and add a soffit at S324, add drywall enclosure to cover the exposed fireproofing at elevator #3.	(10,137)	Unforeseen field condition.
24	CCD 255	Cut and reweld t-heads and added rebar at footing at planter wall, east side of arcade.	(3,711)	Insufficient information on the structural drawing.
25	CCD 256	Add window to room N035.	(1,038)	Insufficient information on the architectural drawing.
26	CCD 257	Bulletin 4R - Additional changes in room S247 that includes added power, data and new electrical panel, plaster patching, skim coating in rooms conference room S246, corridor S235 reception S245.	(62,262)	ITSD City requested change.
27	CCD 261	Modifications to guardrail at the North equipment well.	(8,064)	Insufficient information on the architectural drawing.

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
28	CCD 264	Additional signs per meeting on 2/8/07,(19) stairs signs, (16) etched brass room number only signs, (1) main directory sign, (3) handicap access signs and (4) stairwell signs.	(5,722)	City requested change.
29	CCD 270	Added drywall at basement elevators to bring the wall flush with concrete beam above.	(1,379)	Unforeseen field condition.
30	CCD 271	Reroute 4" chilled water downstream of the riser shut-off valve to allow adequate flow pressure.	(10,946)	Insufficient information on the mechanical drawings.
31	CCD 272	Added cable rail at moat wall by trash area.	(1,109)	Insufficient information on the architectural drawing.
32	CCD 273	Added door, frame and hardware at room EMS equipment room N035D and change size of door frame at door S038B.	(2,577)	Insufficient information on the architectural drawing.
33	CCD 275	Provide lighting controls in council chambers.	(3,709)	City requested change.
34	CCD 280	Re-route the storm drain at the arcade and the planter retaining wall directly from the catch basin into Euclid Street.	(6,279)	Insufficient information on the civil drawing.
35	CCD 283	Added concrete slab at basement stair #3.	(3,900)	Insufficient information on the structural drawing.
36	CCD 284	Add marble cut-out pieces to plug existing plumbing holes @ historical toilet partitions.	(9,678)	City requested change.
37	CCD 285	Install 6" clay sewer pipe in lieu of 4" clay sewer pipe along Thurgood Marshall street.	(1,971)	City requested change.
38	CCD 288	Revise ivory colored GFI receptacles devices and switches to white in all restrooms.	(2,840)	City requested change.
39	CCD 292	Add (3) gang boxes at plasma monitors in the 2nd floor reception and conference rooms outside Council Chambers, relocate Council Chambers plasma electrical feed boxes and add additional control box to control A/V speakers in 2nd floor restrooms.	(2,773)	City requested change.
40	CCD 295	Add 4" condenser water isolation valve in mechanical room.	(1,219)	City requested change.
41	CCD 301	Deletion of the gold lettering on the transoms above department doors.	12,300	City requested change.
42	CCD 308	Catch basins required to be raised in courtyard for proper drainage.	(15,839)	Insufficient information on the civil drawing.

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
43	CCD 313	Pulling temporary phone lines between the existing telephone backboard at basement dome to the mdf room basement North for elevator phone service.	(350)	City requested change.
44	CCD 318	Add soffit to reception room N106 to allow placement for 4" waste and relocate heat pump.	(17,311)	Unforeseen field condition.
45	CCD 330	Sandblast existing waterproofing off concrete beam at West dome.	(2,201)	Unforeseen field condition.
46	CCD 334	Change basement ceiling paint color from black to white.	(4,713)	City requested change.
47	CCD 335	Additional chrome baffles at restrooms 411, 412, N301 and N130.	(2,262)	Insufficient information on the architectural drawing.
48	CCD 337	Extra demo at 6th floor circular stair to access contract required demolition.	(1,431)	Unforeseen field condition.
49	CCD 338	Demo stub wall to the top of existing mat in sub-basement under dome.	(3,210)	Unforeseen field condition.
50				
51		Total General Contractor Adjustment (Change Order #11)	(355,775)	
52				
53	B.	Proposed City Contracted Adjustments 4/30/07.		
54	1	Office and Conference Room Furniture - Kimball International Marketing.	(70,742)	Total purchase order amount is for \$680,000. Of this amount \$609,258 is recommended to be appropriated as part of this report. This is to provide office and conference room furniture for City Hall.
1	C.	Proposed Project Budget Adjustments 4/30/07.		
2				
3				
4				
5	IV.	Total Contingency Adjustment (4/30/07 tentative)	(426,517)	
6				



# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B.	C.	E.
		Description	Total	Comments
7	V.	Ending Contingency Balance (4/30/07 tentative)	<b>4,160,311</b>	
8				

**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:**  
**KIMBALL INTERNATIONAL MARKETING, INC.**

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

Douglas A. Habig, Chairman of the Board and Director
James C. Thyen, President, CEO, and Director
John H. Kahle, Exec VP, General Counsel, Secretary, and Director
Robert F. Schneider, Exec VP, CFO, and Director
P. Daniel Miller, President
Gary W. Schwartz, Exec VP, CIO
R. Gregory Kincer, VP, Business Development, Treasurer
John S. Dick, VP, CFO, OFG
Kent F. Mahlke, VP, Global Supply Chain Mgmt, OFG
Dirk H. Manning, VP, Sales, KO
Kevin D. McCoy, VP, Sales, NOF
Dwayne R. Saalman, VP, Strategic Accounts, KO
Stanley C. Sapp, VP, Gen Mgr. Kimball Hospitality
Donald W. Van Winkle, VP, Gen Mgr. NOF
David E. White, VP, Gen Mgr. KO

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

NONE

Prepared by: *David White*  
Title: VP, GEN. MGR., NOF  
Date: 4-23-07

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