

# Agenda Report

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

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT:** CITY HALL SEISMIC RETROFIT PROJECT -  
APPROVAL OF CONTINGENCY ADJUSTMENTS AND CHANGE  
ORDER #4 TO THE GENERAL CONTRACTOR

## **RECOMMENDATION**

It is recommended that the City Council:

- 1) Approve the allocation of \$309,534 from Project Contingency for unforeseen conditions and activities discovered during the retrofit of City Hall, thereby reducing the amount of Project Contingency from \$7,688,509 to \$7,378,975.
- 2) Authorize the City Manager to execute Change Order #4 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, thereby increasing the contract amount by \$309,534 from \$79,846,403 to \$80,155,937.

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

On April 12, 2006, the City Hall Restoration Oversight Committee reviewed and discussed the above topics of contingency adjustments, General Contractor Change Order #4 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 \$309,534 from Project Contingency and increase Contract Number 18,768-1 with Clark Construction by \$309,534.

## **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 and February 27, 2006 the City Council authorized the City Manager to execute Change Order #1, #2 and #3 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 #4, referenced as item #5 below, proposes to transfer \$309,534 from Project Contingency, resulting in a reduced Project Contingency balance of \$7,378,975 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)
	Project Contingency Balance (2/27/06)	<u>\$7,688,509</u>
5)	Proposed Contingency Adjustments (4/24/06)	
A.	General Contractor (Change Order #4)	<u>(309,534)</u>
B.	Project Contingency Balance (4/24/06)	<u>\$7,378,975</u>

The change orders, including proposed Change Order #4, result in a 15% reduction in the Project Contingency balance, whereas the project is 60% completed.

### **GENERAL CONTRACTOR CHANGE ORDER #4**

During ongoing construction, the general contractor has encountered unforeseen conditions as listed in Attachment #1. This contract Change Order #4 increases the scope of work to Contract Number 18,768-1 with Clark Construction in the amount of \$309,534, thereby increasing the contract sum to \$80,155,937 as follows:

1)	Current City Council-Approved Contract Award	\$79,846,403
2)	Proposed Change Order #4 (4/24/06)	309,534
	Proposed Contract Sum:	<u>\$80,155,937</u>

**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.

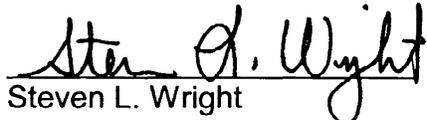
**FISCAL IMPACT**

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 \$309,534 reduces the total City Hall project contingency from \$7,688,509 to \$7,378,975.

Respectfully submitted,

  
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City Manager

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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>	\$ 8,642,014	
2				
3	II.	<b>City Council Approved Changes 8/15/05</b>	(351,207)	
4				
5	III.	<b>City Council Approved Changes 11/21/05</b>	(367,791)	
6				
7	IV.	<b>City Council Approved Changes 2/27/06</b>	(234,507)	
8				
9	V.	<b>Proposed Contract Adjustments 4/24/06 (tentative)</b>	(309,534)	
10	A.	Proposed General Contractor Adjustments 4/24/06 (Change Order #4)		
11	CCD 26	Transformer Vault changes S023 (basement) changing metal stud walls to concrete, widening doors and changing transformer sizes.	(57,500)	Increase of equipment sizes
12	CCD 31	Remove waterproofing and new plaster at building/moat corner walls.	(26,864)	Unforeseen field condition
13	CCD 39	Cutting of end plates on collector steel due to conflict with concrete haunch at basement stair towers.	VOID	No cost impact
14	CCD 49	Exterior plaster reworked at the 1st floor loggia stair towers due to collector steel and misc. furring to conceal electrical devices at vaults on 1st and 3rd floor.	(50,818)	Unforeseen field condition
15	CCD 60	Remove non-original wood infill panels and replace with glass in historic conference room on 1st floor North and restore the interior plaster walls.	(13,388)	Unforeseen field condition
16	CCD 63	Increase the size of attic equipment pads to support air handler units.	(1,500)	Added equipment pads
17	CCD 69	Stile & rail wood door core change to comply with LEED's.	12,906	Requirement for LEED's
18	CCD 74	Add transformer pads in the basement and bus duct curbs on the upper floors per the NEC.	(6,785)	NEC code required
19	CCD 78	Structural modifications to the unreinforced masonry and concrete walls and beams near the Arcade connection points to the main building.	(27,936)	Conflict from the original 1927 structural drawings
20	CCD 92	Revised 4th flr slab for elevator #3.	VOID	No cost impact

# CITY HALL SEISMIC RETROFIT PROJECT

## Contingency Adjustments Detail

	A.	B. Description	C. Total	E. Comments
21	CCD 94	Added lighting and switching at the spiral stair leading from the 5th floor to the dome.	(7,515)	Safety lighting added for City maintenance
22	CCD 95	Added rebar/couplers/demo at stair #3.	VOID	No cost impact
23	CCD 97	Revise existing steel @ 3rd floor for elevator #3.	VOID	No cost impact
24	CCD 98	Add epoxy/grout for rebar through exist grade beam in basement.	(3,682)	Added structural requirements
25	CCD 99	Add 3/4" studs to steel channels and modify pit wall @ elevator #4 to achieve composite action between metal decking and concrete.	(2,243)	Added structural requirements
26	CCD 102	Add occupancy sensor to operate exhaust fan in 4th flr womens restroom 411.	(1,940)	Insufficient electrical information
27	CCD103	Provide power to new exhaust fans for restrooms S342, S300 & S213.	(11,112)	Changed due to field conditions
28	CCD 104	Add recessed light in corridor leading to men's rest room 3rd floor dome area.	VOID	No cost impact
29	CCD 108	Re-establish the power feed for the main entry clock.	VOID	No cost impact
30	CCD 113	Modify fire-rated Duct Shaft to accommodate changes in duct work on the 4th floor.	(437)	Unforeseen field condition
31	CCD 125	Change slab thickness at in-fill slabs.	VOID	No cost impact
32	CCD 131	Added control valve stations, standpipes and attic density changes for fire protection.	(110,720)	Fire protection required changes due to unforeseen field conditions
33		Total General Contractor Adjustment (Change Order #4)	(309,534)	
34				
35	<b>VI.</b>	Ending Contingency Balance (4/24/06 tentative)	7,378,975	
36				