

# Agenda Report

**TO:** CITY COUNCIL **DATE:** January 14, 2008

**THROUGH:** FINANCE COMMITTEE

**FROM:** CITY MANAGER

**SUBJECT:** CITY HALL SEISMIC RETROFIT PROJECT -  
APPROVAL OF CONTINGENCY ADJUSTMENTS AND CHANGE  
ORDER #13 TO THE GENERAL CONTRACTOR

## **RECOMMENDATION**

It is recommended that the City Council:

- 1) Approve the allocation of \$71,088 from Project Contingency for unforeseen conditions and project activities, as identified in Attachment #1, discovered during the retrofit of City Hall and to reflect the reduction in Project Contingency of \$2,200,000 which is the unfunded portion of the budget, thereby reducing the amount of Project Contingency from \$2,891,491 to \$620,403; and
- 2) Authorize the City Manager to execute Change Order #13 to Contract Number 18,768-1 with Clark Construction Group-California, LP (Clark Construction) for increases in scope of work due to unforeseen conditions and project activities discovered during the retrofit of City Hall, as identified in Attachment #1, thereby increasing the contract amount by \$71,088 from \$84,485,679 to \$84,556,767.

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

On December 19, 2007, the City Hall Restoration Oversight Committee reviewed the topics of contingency adjustments contained in General Contractor Change Order #13. The Committee concurred that the recommendations under Change Order #13 are reasonable and consistent with ongoing construction activities of similar projects. It was recommended that the City Council authorize the allocation of \$71,088 from Project Contingency which includes an increase to Contract Number 18,768-1 with Clark Construction by \$71,088.

## **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. Twelve change orders and the associated contingency adjustments have been approved by City Council to date bringing the current contract amount to \$84,485,679. Change Order #13 represents a settlement of four 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-builds", 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 approved City Hall Seismic Retrofit project budget anticipated that \$6,000,000 would be raised through grants and other fundraising activities. Staff was able to secure \$3,800,000 from various federal and state grants, resulting in a budget shortfall of \$2,200,000. The project contingency will be revised to reflect this budget shortfall. The proposed Change Order #13 referenced below proposes to transfer a total of \$71,088 from Project Contingency, and to deduct the unfunded portion of the project from the contingency allocation, resulting in a Project Contingency balance of \$620,403 as follows:

1)	Beginning Project Contingency (1/31/05)	\$8,642,014
2)	City Council-Approved Contingency Adjustments	<u>(5,750,523)</u>
	Current Project Contingency Balance	2,891,491
3)	Proposed Contingency Adjustments (1/14/08)	
	A. General Contractor (Change Order #13)	<u>(71,088)</u>
4)	Project Contingency Balance (1/14/08)	\$2,820,403
5)	Less Unfunded Project Budget	<u>(2,200,000)</u>
	Revised Contingency Balance	\$620,403

The project has been completed, and a majority of the contingency funds have been expended. There is one remaining change order to be processed for this project. Staff is currently working to resolve financial issues associated with the fire life safety system and is expected to bring forward a final change order in the next several weeks.

## **GENERAL CONTRACTOR CHANGE ORDER #13**

During ongoing construction, the general contractor has encountered unforeseen conditions as listed in Attachment #1. Contract Change Order #13 increases the scope of

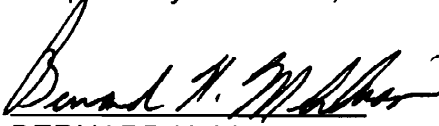
work to Contract Number 18,768-1 with Clark Construction in the amount of \$71,088 thereby increasing the contract sum to \$84,556,767 as follows:

1) Current City Council-Approved Contract Award	\$84,485,679
2) Proposed Change Order #13 (1/14/08)	\$71,088
Proposed Contract Sum:	<hr/> \$84,556,767

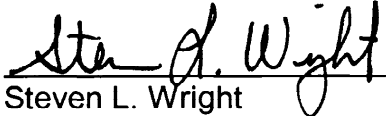
### **FISCAL IMPACT**

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 \$71,088 reduces the total City Hall project contingency from \$2,891,491 to \$2,820,403. After removal of \$2,200,000 from the project contingency that was unfunded, we have a revised project contingency of \$620,403.

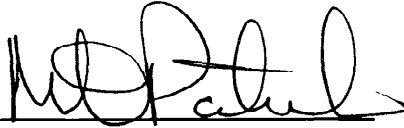
Respectfully submitted,

  
BERNARD K. MELEKIAN  
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>(5,750,523)</b>	
5				
6	III.	<b>Proposed Contract Adjustments 1/14/08</b>		
7	A.	Proposed General Contractor Adjustments 1/14/08 (Change Order #13).		
8	CCD 383	Unused number.	VOID	Voided by General Contractor.
9	CCD 384	Provide fire alarm control module, conduit, wire and programming. Add 3 additional emergency circuits to power for the module for the leak detection system.	(20,887)	Insufficient information on the electrical/mechanical drawings.
10	CCD 385	2nd floor roof trench drain exploration and repair.	(28,171)	Insufficient information on the architectural and mechanical drawings.
11	CCD 386	Add dedicated power required for equipment and modify lighting in print services basement North.	(22,030)	City requested change.
12				
13		<b>Total General Contractor Adjustment (Change Order #13)</b>	<b>(71,088)</b>	
14				
15	IV.	<b>Total Contingency Adjustment (1/14/08)</b>	<b>(71,088)</b>	
16				
17	V.	<b>Ending Contingency Balance (1/14/08)</b>	<b>2,820,403</b>	
18				
19	VI.	<b>Minus unfunded Project Budget</b>	<b>2,200,000</b>	
20				
21	VII.	<b>Revised Ending Contingency Balance (1/14/08)</b>	<b>620,403</b>	
22				