

Agenda Report

TO: CITY COUNCIL

DATE: November 24, 2008

THROUGH: FINANCE COMMITTEE

FROM: CITY MANAGER

SUBJECT: CITY HALL SEISMIC RETROFIT PROJECT -
APPROVAL OF CONTINGENCY ADJUSTMENTS AND CHANGE
ORDER #14 TO THE GENERAL CONTRACTOR

RECOMMENDATION:

It is recommended that the City Council:

- 1) Approve the allocation of \$376,000 from Project Contingency for unforeseen conditions and project activities, as identified in Attachment #1, discovered during the retrofit of City Hall, thereby reducing the amount of Project Contingency from \$620,403 to \$244,403; and
- 2) Authorize the City Manager to execute Change Order #14 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 \$376,000 from \$84,556,767 to \$84,932,767.

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. Thirteen change orders and the associated contingency adjustments have been approved by City Council to date bringing the current contract amount to \$84,556,767. Change Order #14 represents a settlement of nine 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). This change order was delayed pending the resolution of a dispute between Clark Construction and the fire sprinkler sub-contractor for the project. The final payment amount identified is proposed, now that a negotiated settlement agreement has been reached between the parties.

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 #14 referenced below proposes to transfer a total of \$376,000 from Project Contingency, and to deduct the unfunded portion of the project from the contingency allocation, resulting in a Project Contingency balance of \$244,403 as follows:

1)	Beginning Project Contingency (1/31/05)	\$8,642,014
2)	City Council-Approved Contingency Adjustments	(5,821,611)
3)	Less Unfunded Project Budget	(2,200,000)
	Current Project Contingency Balance	620,403
4)	Proposed Contingency Adjustments (11/24/08)	
	A. General Contractor (Change Order #14)	(376,000)
5)	Project Contingency Balance (11/24/08)	\$ 244,403

The project has been completed, and this change order represents the final payment and settles all obligations associated with the general contractor.

GENERAL CONTRACTOR CHANGE ORDER #14:

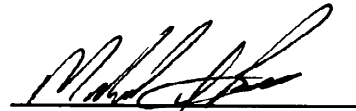
During ongoing construction, the general contractor encountered unforeseen conditions as listed in Attachment #1. Contract Change Order #14 increases the scope of work to Contract Number 18,768-1 with Clark Construction in the amount of \$376,000 thereby increasing the contract sum to \$84,932,767 as follows:

1)	Current City Council-Approved Contract Award	\$84,556,767
2)	Proposed Change Order #14 (11/24/08)	\$376,000
	Proposed Contract Sum:	<hr/> \$84,932,767

FISCAL IMPACT:

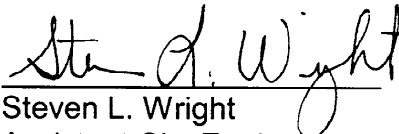
The City Hall project budget of \$117,594,083 has not changed since the award date of the general contractor's contract on January 31, 2005. The proposed contingency reduction of \$376,000 for Change Order #14 plus the reduction of \$2,200,000 due to the unfunded project budget reduces the total City Hall project contingency to \$244,403.

Respectfully submitted,



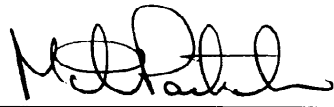
MICHAEL J. BECK
City Manager

Prepared by:



Steven L. Wright
Assistant City Engineer
Department of Public Works

Approved by:



Martin Pastucha, Director
Department of Public Works

Attachments: Attachment #1 – List of Contingency Adjustments

CITY HALL SEISMIC RETROFIT PROJECT

Contingency Adjustments Detail

	A.	B.	C.	D.	E.
		Description	Total		Comments
1	I.	Beginning Contingency Balance 1/31/05	\$ 8,642,014		
2					
3					
4	II.	City Council Approved Contingency Adjustments	(5,821,611)		
5					
6	III.	Proposed Contract Adjustments 11/24/08			
7	A.	Proposed General Contractor Adjustments 11/24/08 (Change Order #14).			
8	CCD 72	Fire sprinkler impacts associated with existing bldg conditions		(296,168)	Unforeseen field condition.
9	CCD 137	Deletion of fire sprinklers in the sub-basement (isolation level)		34,000	City requested change.
10	CCD 276	Deletion of fire sprinklers at arcade structure.		322	City requested change.
11	CCD 290	Basement level dome conflicts with 6" & 3" fire main routing.		(66,650)	Unforeseen field condition.
12	CCD 291	Headroom clearance in basement utility corridor under arcade.		(9,538)	Unforeseen field condition.
13	CCD 294	Install fire sprinklers in built-in cabinets.		(13,232)	Required by Pasadena Fire.
14	CCD 324	Relocate (2) fire hose cabinets from the 6th floor to the 5th floor dome area.		(9,755)	Required by Pasadena Fire.
15	CCD 326	Add fire sprinkler heads to the (4) basement stairwells.		(14,979)	Required by Pasadena Fire.
16	CCD 360	Second submittal to fire department.		VOID	Voided by General Contractor.
17					
18		Total General Contractor Adjustment (Change Order #14)	-	(376,000)	
19					
20	IV.	Total Contingency Adjustment (11/24/08)	(376,000)		
21					
22	V.	Ending Contingency Balance (11/24/08)	2,444,403		
23					
24	VI.	Minus unfunded Project Budget	2,200,000		
25					
26	VII.	Revised Ending Contingency Balance (11/24/08)	244,403		
27					