



Agenda Item # _____

Staff Report

City of Manhattan Beach

TO: Honorable Mayor Fahey and Members of the City Council

THROUGH: Geoff Dolan, City Manager

FROM: Sherilyn Lombos, Deputy City Manager

DATE: August 2, 2005

SUBJECT: Consideration of a Status Report on the Police & Fire Facility, an Agreement Between the City and Swinerton Builders Regarding Construction Completion Including a Contract Amendment and a Change Order in the Amount of \$160,025, and Allocation of \$755,000 from Project Savings for City Hall Exterior and Interior Renovations

RECOMMENDATION:

The Police & Fire Sub-Committee and Staff recommend that the City Council **RECEIVE & FILE** a status report on the Police & Fire Facility from the City's construction management firm, Vanir Construction Management, **APPROVE** an agreement between the City and Swinerton Builders regarding construction completion, which includes a contract amendment and a change order in the amount of \$160,025, **APPROVE** an allocation of \$755,000 from the project savings to be used for City Hall exterior and interior renovations, and **APPROPRIATE** \$755,000 from the CIP Fund for those improvements.

FISCAL IMPLICATION:

The City Council approved a Police & Fire Facility budget of \$40,649,510 on August 17, 2004; on June 21, 2005 staff presented an analysis of the contingency savings (see Attachment "A") which provided a forecast of the budget at project completion. One additional line item has been included in the updated look-ahead analysis: available fund reserves in the amount of \$475,000, bringing the total estimated available balance at completion to \$1,846,467. These fund reserves were accumulated over time in the Police/Fire project fund. If the City Council chooses to allocate \$755,000 of the project funds for City Hall exterior and interior improvements, \$1,091,467 will still be available upon completion of the entire project.

DISCUSSION:

Swinerton Agreement

The current contract completion date is August 26, 2005. For a number of months now staff has been sharing with Council that the project is delayed by several months. Following is a list of reasons why the project completion date has been delayed:

- Second wettest season on record; this has had impact on critical activities such as major concrete pours, backfilling and waterproofing operations and there have been flooding issues that Swinerton has had to deal with.
- Procurement of materials; in several instances, most significantly the roofing materials, the schedule has been impacted by a delay on the manufacturer's end.
- Impact of change orders; while relatively small in terms of dollars (under 3% of the construction contract), the change orders have had the effect of diverting time and energy away from construction.
- Errors and omissions in the contract documents; while the project is not out of line in terms of the magnitude of change orders related to E&O, there have been some critical path issues that have been affected by errors and omissions.
- Delays by design consultants; staff discussed this issue with Council several months ago, that HOK, the City's architect, has had to contend with one its sub-consultants, which has resulted in untimely responses to requests for information from the contractor and long approval times on submittals.

Swinerton Builders approached the City regarding the delay; their initial claim was for the City to extend the contract a total of 81 days with 66 of those days compensable by the City (i.e., the City will pay Swinerton the cost of their extended general conditions). Vanir, City and Swinerton representatives have been meeting for several months now to develop an agreement regarding the number of days that the contract schedule will be extended from August 26 based on a reasonable/realistic completion date and how many of those days the City will pay the contractor for extended general conditions (the cost of the contractor being on the job site).

After extensive discussions, the following agreement is being recommended by the Council sub-committee, Vanir and City staff:

- Extend the contract schedule **66** days to October 31, 2005 for **substantial completion**.
- Amend the contract between the City and Swinerton to define substantial completion to effectively mean that date at which all work items are complete so the City can occupy the facility. The contract amendment also defines **final completion** and sets liquidated damages for failure to meet both of those dates.
- Pay the contractor's extended general conditions for **37** of those days at a daily rate of **\$4,325** (based on actual costs) for a total of **\$160,025**. For budget purposes, the look-ahead budget presented in June to the Council included \$200,000 for this settlement.
- This agreement resolves all past issues and delay claims and all current issues that have been identified with a potential delay impact.
- The agreement excludes issues out of the contractor's control going forward.
- The agreement excludes issues out of the contractor's control going forward.

The Police & Fire Facility Sub-Committee met on July 21st to review this issue. After listening to the presentation by Vanir and discussing the issue, the sub-committee unanimously recommended approval of the agreement by the full City Council.

City Hall Exterior & Interior Improvements

As the Police & Fire Facility and Civic Center Plaza near completion, it is more and more obvious that the City Hall / Library complex are older and in need of some refurbishment. As was presented and discussed with the City Council in June, staff's analysis of the project budget is that

close to \$2 million will be available at the end of the project. The Council sub-committee and City staff are recommending that \$755,000 of those available funds be allocated to City Hall improvements. That amount is broken down as follows:

- **Landscaping of City Hall & Library, \$422,000:**
 - o Coordinates with Police & Fire/Plaza landscaping
 - o New plantings
 - o New lighting
 - o New irrigation
- **Refurbish City Council Chambers & Lobbies, \$206,000**
 - o New audience chairs, carpeting and wall coverings in Chambers
 - o Entryway tile treatments (replace orange tile)
 - o Replace floor tiles in upper & lower lobbies
 - o Paint and wall coverings in upper & lower lobbies
- **Re-carpet Public Lobby and City Hall Work Spaces, \$57,000**
- **Contingency (10%), \$70,000**

Staff is proposing that the work begins with the landscaping because it is the most obvious and when complete will provide a connection for the entire Civic Center complex. Once the landscaping work is complete, staff would reassess the budget and assuming no major changes from what has been presented in the look-ahead analysis, refurbishment of the Council Chambers and the upper and lower lobbies would commence, followed by re-carpeting of the remainder of City Hall.

The Police & Fire Facility Sub-Committee met on July 21st to review this issue. After discussing the issue with staff, the sub-committee unanimously recommended that the full Council allocate the \$755,000 from the project savings and authorize the City Manager to spend within that amount. Because the project savings funds will not be available until the Police & Fire project is completed in December, staff is requesting that Council appropriate the City Hall renovation funds from existing fund balance in the CIP Fund. Those funds, which would simply be an advance of funds for cash flow purposes, will be reimbursed to the CIP Fund upon receipt of the project savings previously discussed. This will allow the City Hall renovations to commence in advance of the completion of the Police & Fire facility and to be completed in a timely manner.

CONCLUSION:

The Police & Fire Sub-Committee and City staff recommend that the City Council receive and file a report on the budget and schedule of the Police & Fire Facility from the City's construction management firm, Vanir Construction Management, approve the agreement between the City and Swinerton Builders regarding construction completion, which includes a contract amendment and a change order in the amount of \$160,025 and approve an allocation and appropriation of \$755,000 from the project budget to be used for City Hall exterior and interior improvements.

Attachment: A. Police & Fire Facility Project Budget Analysis of Contingency Savings

Police Fire Facility Project Budget Analysis of Contingency Savings

Project Budget Line Items	Budget	Adjustments	Adjusted Budget	Actual To Date	Percent Expended	Budget Remaining
Hard Cost:						
Building, Site & Demo Cost	28,647,000	486,883	29,133,883	15,079,493	51.8%	14,054,390
Hazardous Material Abatement	70,290		70,290	67,449	96.0%	2,841
Demolition	92,000		92,000	88,099	95.8%	3,901
Hard Cost Subtotal:	28,809,290	486,883	29,296,173	15,235,041	52.0%	14,061,132
Soft Cost:						
Architecture/Engineering Fee	2,384,350		2,384,350	2,341,355	98.2%	42,995
Construction Contingency	3,700,790	(486,883)	3,213,907	192,440	6.0%	3,021,467
Furniture, Fixtures, & Equipment	1,687,500		1,687,500	158	0.0%	1,687,342
Project & Construction Management	1,420,592		1,420,592	1,317,176	92.7%	103,416
P & F Relocation Allowance	1,129,488		1,129,488	1,025,175	90.8%	104,313
Owner's Cost Items	1,562,500	-	1,562,500	348,713	22.3%	1,213,787
Soft Cost Subtotal:	11,885,220	(486,883)	11,398,337	5,225,018	45.8%	6,173,319
Total Project	40,694,510	-	40,694,510	20,460,060	50.3%	20,234,450

	Balance @ May 31, 2005	Estimated Costs to Completion	Latest Estimates (Informational only)	Balance Remaining
Contingency Budget	3,021,467			3,021,467
- Additional Costs				
Swinerton		(200,000)	160,025	(200,000)
HOK		(100,000)		(100,000)
Vanir		(200,000)		(200,000)
School District		(100,000)		(100,000)
Other Contract Extensions		(200,000)		(200,000)
Unforeseen		(100,000)		(100,000)
- Change Orders		(750,000)	165,909	(750,000)
- Project Add Backs		(500,000)		(500,000)
Solid Surface			86,128	
Built In Case Work			66,282	
Conference Room Wall			21,000	
Simulator Room				
Fire Break Room			15,000	
Jail Cell Build Out				
	3,021,467	(2,150,000)		871,467

Contingency Savings	871,467
Owners Costs Savings	500,000
Excess Funds Due to Interest Earnings	475,000
Available After Completion	1,846,467
Allocation - City Hall Improvements	(755,000)
Remaing Balance	1,091,467