



**CITY OF FORT LAUDERDALE  
City Commission Agenda Memo  
CONFERENCE MEETING**

**#15-1103**

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**TO:** Honorable Mayor & Members of the  
Fort Lauderdale City Commission

**FROM:** Lee R. Feldman, ICMA-CM, City Manager

**DATE:** October 20, 2015

**TITLE:** South Side School Update

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The purpose of this memorandum is to provide an update regarding the South Side School project.

**Northeast Area**

The bid opening for South Side School occurred on June 22, 2015 (Exhibit 1). The lowest bidder is Di Pompeo Construction with a total bid of \$3,114,000, including allowance and the \$103,000 for additional parking as a bid alternate. The lowest bid exceeds the current available funding of approximately \$2,004,000.

City Staff, the Consultant and the Contractor has explored several options to bring the construction price within the available budget. The City's standard bid documents state, "Deletion or Modification of Services: The City reserves the right to delete any portion of the contract at any time without cause, and if such right is exercised by the City, the total fee shall be reduced in the same ratio as the estimated cost of the work deleted bears to the estimated cost of the work originally planned." Therefore, the City can properly reduce the scope and therefore, the total cost of the Project.

As a result of the evaluation of the bid scope and the items that can be eliminated without impacting the functionality of the building, Staff recommends proceeding with the completion of the building so that the building can be secured and made functional, deducting specific items from the interior renovation scope, redesigning of the heating, ventilation, and air conditioning (HVAC) system and changing of lighting package. The estimated credits resulting from these modifications would be approximately \$504,000 (Exhibit 1). This approach will ensure the following:

- 1) All of the building components will be functional and this will include remediating the building and maintaining it in a good condition since the air-conditioning system will be functional.
- 2) The City will be able to use the low bidder without having to significantly redesign and rebid the project. Please note that redesigning the project will introduce additional delays since it will require a review and approval by the City's Historical Preservation Board, Broward County, and State Division of Historical Resources.

Additionally, there could be a cost escalation based on existing market conditions.

Site Work Credits:

The proposed credits for site work components of the project is approximately \$119,000 and consists of the following:

1. Alternate lighting package (not LED)
2. Construction of chiller enclosure (will not be required if HVAC is redesigned as proposed)
3. Construction of dumpster enclosure
4. Construction of perimeter fencing

Building Credits:

The proposed credits for building renovation add to \$385,000 and include:

1. Alternate lighting package for interior (not LED)
2. Remove folding walls from the scope
3. Redesign HVAC system
4. Remove lockers from the scope
5. Remove appliances from the scope (City to purchase directly)
6. Remove window treatments from the scope
7. Reduce permit, labor and material, elevator allowances

In view of the above, Staff's effort was focused on identifying cost savings which (in our opinion) will not require a resubmittal to any of the three historical boards and therefore will not jeopardize the overall project schedule.

In addition, other deductions were identified and include:

1. Conversion of full kitchen to warming kitchen with the estimated saving of \$17,600. However, we will not be able to offer cooking classes if we are to proceed with this change.
2. Deletion of acoustical drywall and replacement with standard drywall with the estimated saving of \$17,000. This change will affect the acoustical rating which is critical for functionality of a building.
3. Revision of drywall ceiling to dropped acoustical ceiling with the estimated credit of \$9,000. This change would need to be submitted for historical review.
4. Removal of all wood interior casing and changing of all interior wood doors to hollow metal doors as well as downgrading of hardware with the estimated credit of \$104,000. This change would need to be submitted for various reviews.

These additional deductions result in potential saving of \$147,600. However, they might impact functionality of the building, quality of renovation and also trigger extensive reviews by the various agencies. As a result, Staff does not recommend proceeding with these proposed deductions at this point. We would like to look into additional savings via value engineering by changing wood trim to MDF (medium density fibreboard), removal of some cabinetry specified and other savings during the construction of the project.

Overall, the revised estimated cost is \$2, 610,000. Staff is proposing to install meters and fund the construction of the parking in the amount of \$300,000 from TAM (Transportation and Mobility) budget which would result in revised construction cost of \$2,310,000. As the available budget is approximately \$2,004,000, this approach will still result in a budget shortfall of approximately \$306,000. However, this approach should allow the construction to begin relatively quickly upon the approval by Commission and the approval of the revisions by the City's Building Services Division. We still need to send the revisions to all governing agencies for review and inform them about the proposed changes.

The final construction drawings for South Side School were approved by the City's Historical Preservation Board on August 3, 2015, by Broward County on March 18, 2015, and by State Division of Historical Resources on May 26, 2015. The initial permit reviews (by the City's Building Division) are also completed.

Broward County's Bond Counsel has conducted an initial review of the drawings in response to the Notice of Intent, dated March 23, 2015 to lease the building to the Friends of South Side, Inc. The Bond Counsel issued a preliminary opinion stating that the use of the second floor of the South Side Building as an office area for the City's Parks and Recreation Department is may not a permissible use under Broward County's Park Bond Resolutions. The City is working with Broward County to find a resolution, as Staff believes the proposed use is permissible.

### **Southeast Area**

Staff is working with the City's lobbyist in an attempt to get Florida Communities Trust to waive or reduce the current payment requirement of \$123,360 associated with the Restrictive Covenants that accompany the property. This work is currently on hold and it is not part of the current bid package.

### **Strategic Connections**

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included within the Public Places Cylinder of Excellence, specifically advancing:

- Goal 3: Be a community that finds opportunities and leverages partnerships to create unique, inviting, and connected gathering places that highlight our beaches, waterways, urban areas, and parks.

This item advances the *Fast Forward Fort Lauderdale 2035 Vision Plan: We Are Here*.

### **Attachment**

Exhibit 1 – Proposed Reductions

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