



CITY OF FORT LAUDERDALE
City Commission Agenda Memo
CONFERENCE MEETING

#15-1467

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

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

DATE: November 17, 2015

TITLE: Aquatics Center Update

The purpose of the memorandum is to provide an update regarding the Aquatics Center project and to seek direction from the City Commission regarding how to move forward on this project.

Background

At the November 3rd, 2015 City Commission Conference meeting, staff provided an update regarding Central Beach Master Plan public improvement projects, which included the Aquatics Center. During the update, City staff indicated that they would bring the Aquatics Center forward at the November 17, 2015 City Commission Conference meeting for discussion and direction.

On September 18, 2012, the City Commission approved a Developer's Agreement with Recreation Design and Construction, Inc. (RDC) with a guaranteed maximum price (GMP) in the amount of \$32,437,434 (\$24,864,950 for the aquatic facility and \$7,572,484 for the parking garage) (Exhibit 1).

On May 5, 2015, the City Commission approved Change Order No. 1 in the amount of \$1,238,068 for additional scope items which included a dry land training facility, heating ventilation and air conditioning (HVAC) in the locker rooms, the relocation of the Aquatics Center operational offices from the 5th floor to the 3rd floor to allow for an increase in banquet space, and deleting the movable floor system from the scope of work (Exhibit 2). Change Order No. 1 increased the GMP to a total of \$33,675,502 (\$26,103,018 for the aquatic facility and \$7,572,484 for the parking garage). This is the current budget for the Aquatics Center project.

At the February 25, 2015 Special City Commission meeting, RDC requested a GMP increase in the amount of \$3,594,115 due to market increases in labor and materials. On October 23, 2015, RDC submitted revised construction documents, and on November 5, 2015 provided the final GMP totaling \$39,026,885 (Exhibit 3). RDC's GMP places the project \$5,351,383 or 15.9% over budget. Note that RDC's GMP includes a reduction in the developer's fee from 17.87% to 11.5%.

Pursuant to Amendment No. 1 of the agreement, staff issued a task order to Atkins North America, Inc. (Atkins) to perform an independent cost estimate of the construction document package. The purpose of the cost estimate is to verify RDC's final GMP. The estimate was received on November 5, 2015 and totals \$40,622,000 (Exhibit 4).

To date, RDC has billed the City a total of \$2,723,403.04 for design-related services. The City has paid \$2,451,062.74 and holds \$272,340.30 (10% retainage). Additional project expenses incurred total \$197,355.09 and include:

- The original Leisure and Recreation Concepts (LARC) feasibility study (\$63,533.07).
- A conceptual master plan and financial business model prepared by CSA Central, Inc. (\$24,955).
- Four task orders to Atkins relating to cost estimations (\$53,350).
- Sports Facility Advisory (SFA) business plan (\$22,500).
- Florida International University wind study (\$12,000).
- City project management costs (\$17,377.02).
- Florida Power and Light design deposit (\$3,600).

The total billing for the Aquatics Center to date is \$2,920,758.13.

As stated above, RDC's final GMP of \$39,026,885 is \$5,351,383 over the \$33,675,502 project budget. In addition, there are known outstanding items that will further increase project costs. These include the following:

- Architectural garage screening/wraps.
- Elevated dive bleachers.
- Green garage certification.
- Construction Engineering and Inspection (CEI) services.

The total cost of these additional items will likely exceed \$2 million. Factoring in these costs increases, the estimated project deficit is \$7.5 million (22.1% over budget), with a total project cost of approximately \$41.4 million. Of the estimated \$7.5 million project deficit, most would be funded by the Beach Community Redevelopment Agency (CRA). As a result, increasing the Aquatic Center project budget would result in scope reduction or elimination in one or both of the other major Beach CRA funded projects, i.e. the Las Olas Boulevard Corridor and the Beach Streetscape (SR A1A) improvement projects.

A major component of the Aquatic Center project is a proposed parking garage that provides 538 parking spaces, which is a 432 space increase over the 106 spaces at the existing facility. A major component of the Las Olas Boulevard Corridor Improvement project includes converting 835 surface parking spaces into park/open space and consolidating the surface parking into a proposed 428 space parking garage at the Las Olas Marina, resulting in a decrease of 407 spaces from the existing 835 spaces. However, when combining the new spaces at the Aquatics Center with the new spaces at the proposed parking garage at the Las Olas Marina, there is a net increase of 25

spaces. If the Aquatic Center project changes and the garage component is removed, there will be a net loss of 301 public parking spaces within the beach.

Options

Based on the final GMP received from RDC, as well as the independent cost estimate prepared by Atkins North America, Inc., City staff is proposing the following six options for consideration by the City Commission regarding proceeding forward with this project given the gap in available funding.

- Option 1 – Request that the developer proceed with the project as originally planned and within the available budget (taking on the deficit). It is likely that this approach would result in further project delays and result in legal expenses for the City.
- Option 2 – The City takes ownership of the drawing package and places it out to bid. The drawing package is not complete and cannot be bid in its current form. The City would need to hire an Architect/Engineering (A/E) firm to complete and detail the drawings, prepare specifications, provide bidding assistance, and perform construction administration. State statute would require the City to solicit an A/E firm through a Request for Qualification (RFQ). The RFQ process can take 4-6 months and may result in a different A/E firm than the one currently working on the project.
- Option 3 – Cease current activities and redesign the project and build under a traditional competitive bid project delivery method. The City would meet with internal and external stakeholders to determine project scope, design criteria, and budget. The City would hire an A/E firm through the RFQ process and the A/E firm would provide detailed construction documents, specifications, and bidding assistance. A lowest price qualified contractor would be selected through an invitation to bid.
- Option 4 – Cease current activities and redesign the project and build under a Construction Manager at Risk (CMAR) project delivery method. The City would meet with internal and external stakeholders to determine project scope, design criteria, and budget. The City would hire an A/E firm through the RFQ process and the A/E firm would provide detailed construction documents, specifications, and construction administration. The City would hire a CMAR through the RFQ process. The CMAR would act as a consultant to the City and provide a GMP at the 60%-90% design phase. If the GMP is acceptable, the City can enter into a construction agreement with the CMAR or decide to go with the traditional competitive bid process.
- Option 5 – Rather than demolishing and reconstructing a new facility, the City could rehabilitate the existing facility with available CRA funding.
- Option 6 – The City could repurpose the site all together for another use.

Resource Impact

There will be a fiscal impact associated with this action, depending upon the option the City Commission chooses to pursue.

Strategic Connections

This item is a *Commission Annual Action Plan* top priority, included in the Policy Agenda, advancing the Beach Community Redevelopment Agency projects.

This item is a *Press Play Fort Lauderdale Strategic Plan 2018* initiative, included in 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.
- Objective 1: Improve access to and enjoyment of our beach, Riverwalk, waterways, parks, and open spaces for everyone.

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

Attachments

Exhibit 1 – Agreement with RDC

Exhibit 2 – Change Order Number 1

Exhibit 3 – Fort Lauderdale Aquatic Center - Cost Analysis

Exhibit 4 – Independent Cost Estimate

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Department Director: Jenni Morejon, Sustainable Development