



**CITY OF FORT LAUDERDALE**  
**City Commission Agenda Memo**  
**CRA BOARD MEETING**

**#19-0161**

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**TO:** CRA Chairman & Board of Commissioners  
Fort Lauderdale Community Redevelopment Agency

**FROM:** Chris Lagerbloom, ICMA-CM, Executive Director

**DATE:** February 5, 2019

**TITLE:** Motion Approving Funding of Change Order No.2 for Las Olas Boulevard Corridor Improvement Project – Skanska USA Building, Inc. – \$1,517,486 and to Increase the Project GMP to \$50,896,910

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**Recommendation**

It is recommended that the Community Redevelopment Agency (“CRA”) Board of Commissioners approve Change Order No. 2 for scope revisions to the Las Olas Boulevard Corridor Improvement Project Construction Manager-At-Risk Contract with Skanska USA Building, Inc. (“Skanska”) in an amount not to exceed \$1,517,486 and an adjustment of the guaranteed maximum price to \$50,896,910.

**Background**

On January 18, 2017 the City Commission approved a Construction Manager-At-Risk contract with Skanska with a guaranteed maximum price (“GMP”) in the amount of \$49,379,324 for construction of the Las Olas Boulevard Corridor Improvement Project (P11900). On May 2, 2017 the City Commission approved a two month extension to the Skanska contract increasing the duration from 24 months to 26 months. On June 8, 2017, the City issued a notice to proceed to Skanska to begin construction.

The City awarded a contract to Skanska based on its proposal and GMP estimate of 90% construction documents. After award of the contract and GMP, any changes to the construction documents or any unforeseen conditions are identified by Skanska as a Cost Event (“CE”). The CEs are documented, and Skanska creates an Authorization Request (“AR”) which consists of a narrative, a dollar value, and backup information associated with the change from the 90% construction documents. EDSA, Inc. (the architect of record), City of Fort Lauderdale staff and Skanska meet and review the ARs and sign off once all parties agree on the dollar value. The approved ARs are then funded through either contingency funds within the construction contract budget or through an executed change order which adds additional funds to the construction contract budget and increases the GMP value.

On September 6, 2018 and September 12, 2018, the City Commission and the CRA Board of Commissioners approved a budget transfer of \$1,500,000 into the Las Olas Boulevard Corridor Improvement Project. The purpose of the budget transfer was to fund Change Order No. 2 which consists of approved ARs which are summarized on Exhibit 1. On January 4, 2019, the Beach Redevelopment Advisory Board unanimously approved Change Order No. 2 in the amount of \$1,517,486. The change order is broken out into the following categories:

- **Life Safety Enhancements and Operational Enhancements:**  
The City's Police Department requested security enhancements to the project which include security cameras, license plate readers and Code Blue Emergency Phone systems. The drawings were revised to add these items along with uninterruptable power sources and the necessary power, conduit, cabling, and electrical panels to make them functional. Additional traffic-rated bollards along the sidewalk and roadway for pedestrian protection were also requested. The new Las Olas Parking Garage fire alarm system was enhanced with additional horns and strobes to make the system comply with the construction drawings. Finally, the garage operational enhancements which include additional vehicle counters within the garage and digital signage that displays available parking by level are also provided. The financial impact of incorporating these enhancements is \$1,024,680.
- **Hurricane and Franchise Utility Delays:**  
Hurricane Irma impacted the project in September 2017. The hurricane delayed Skanska because the construction site was shut down to prepare for the storm. After the storm passed, the franchise utilities' priority was focused on repairing utilities in heavily damaged parts of the State. As a result, critical path elements such as disconnecting utilities to demolish the existing Las Olas Marina building and relocating the associated underground primary electrical power, all were delayed. The financial impact of these delays is \$203,422, with a time impact of an additional 89 calendar days on the construction schedule.
- **Unforeseen Conditions:**  
Some existing conditions in the field, especially utilities, have differed greatly from what was shown on the construction documents, thus requiring the construction drawings to be revised. In some cases, Skanska demolished unforeseen conflicts to install the proposed improvements. The financial impact of these unforeseen items is \$255,547.
- **Owner Contingency:**  
The change order was reviewed by City Audit staff and the construction audit firm Carter, Riggs, and Ingram. The audit yielded observations and recommendations that reduced the value of the change order. In addition,

Staff also negotiated some direct cost items with Skanska which further reduced the value of the change order. The difference between the original value of \$1,517,486 and the revised value of \$1,483,649 is \$33,837. Staff recommends adding this value to Owner Contingency. Owner Contingency funds are used on the project to pay for minor unforeseen items or additional scope items that are the responsibility of the owner to fund. An increased Owner Contingency budget allows an owner more flexibility to address these items without potentially impacting the construction schedule. The financial impact of the additional Owner Contingency fund is \$33,837.

The aggregate cost for all the changes described above, together with the increase to Owner Contingency, is estimated to cost an additional \$1,517,486 and will increase the GMP to \$50,896,810.

The Las Olas Boulevard Corridor Project is listed as one of the four major public improvement projects in the Beach Community Redevelopment Plan's Redevelopment Plan Concept and incorporates many of the planned public improvements that the CRA considers important to the successful redevelopment of Fort Lauderdale's central beach area.

### **Resource Impact**

There will be a fiscal impact to the CRA in the amount of \$1,517,486, contingent upon City Commission review and approval at its February 5, 2019 Regular Meeting. There is an associated item on the February 5, 2019 City Commission Regular Meeting (CAM 19-0162) requesting approval of Change Order No.2 for the Las Olas Boulevard Corridor Improvement Project.

Funds available as of January 28, 2019					
ACCOUNT NUMBER	INDEX NAME (Program)	CHARACTER CODE/ SUBJECT NAME	AMENDED BUDGET (Character)	AVAILABLE BALANCE (Character)	AMOUNT
346-P11900.346-6599	LAS OLAS BLVD CORRIDOR IMPROVEMENT	Capital Outlay/ Construction	\$42,595,708	\$2,562,754	\$1,517,486
PURCHASE TOTAL ►					\$1,517,486

### **Strategic Connections**

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

**Related CAM**

CAM 19-0162 – Approval of Change Order No. 2

**Attachments**

Exhibit 1 – AR Summary Table

Exhibit 2 – AR Backup

Exhibit 3 – Schedule Delay Backup

Exhibit 4 – Change Order No. 2

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Prepared by: Thomas Green, Project Manager

Beach CRA Manager: Donald Morris, AICP