



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

#19-0162

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

FROM: Chris Lagerbloom, ICMA-CM, City Manager

DATE: February 5, 2019

TITLE: Motion to Approve Change Order No. 2 for Las Olas Boulevard Corridor
Improvement Project – Skanska USA Building Inc. – \$1,517,486 and
Increase the Project Guarantee Maximum Price to \$50,896,910

Recommendation

It is recommended that the City Commission approve Change Order No.2, in substantially the form attached, 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 ("GMP") to \$50,896,910.

Background

On January 18, 2017, the City Commission approved a Construction Manager-At-Risk contract with Skanska with a 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 the contract to Skanska based on its proposal and GMP estimate of 90% construction documents. Any changes to the construction documents or any unforeseen conditions are identified by Skanska as a Cost Event ("CE") and documented. After the CE is documented, 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 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 Community Redevelopment Agency ("CRA") Board of Commissioners approved a budget

transfer of \$1,500,000 to 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 approved a change order in the amount of \$1,517,486. The change order can be broken down 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, 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 repairing utilities in heavily damaged parts of the State. As a result, critical path elements such as disconnecting utilities to allow for the demolition of the Las Olas Marina building, and relocating underground primary electrical power were delayed. This delay resulted in a financial impact of \$203,422, with a time impact of an additional 89 calendar days on the construction schedule.
- **Unforeseen Conditions:**
Existing conditions in the field, especially utilities, have differed greatly from what was shown on the construction documents, requiring the construction drawing 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 by a private 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 several 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 leaving this value in the change order and placing it into 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 in the 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 Improvement Project is listed as one of the four major public improvement projects as specified in the Beach Community Redevelopment Plan's Redevelopment Plan Concept.

Resource Impact

There will be a fiscal impact to the CRA in the amount of \$1,517,486. There is an associated funding item (CAM 19-0161) on the February 5, 2019 CRA Board of Commissioners Agenda to fund this change order.

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 IMPROVEMENTS	Capital Outlay/ Construction	\$42,595,708	\$2,562,754	\$1,517,486
PURCHASE TOTAL ►					\$1,517,486

Strategic Connections

This item is a Commission Annual Action Plan top priority advancing the Beach Community Redevelopment Agency.

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

19-0161

Attachments

Exhibit 1 – AR Summary Table

Exhibit 2 – AR Backup

Exhibit 3 – Schedule Delay Backup

Exhibit 4 – Change Order No. 2

Prepared by: Thomas Green, Community Redevelopment Agency
James Hemphill, Finance
Linda Blanco, Finance

Department Directors: Donald Morris, Community Redevelopment Agency
Kirk Buffington, Finance