



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

Date: June 22, 2016

To: Jim Scholl, City Manager

From: Jim Bouquet, P.E., Director of Engineering

Cc: Sarah Spurlock, Assistant City Manager
Greg Veliz, Assistant City Manager
Mark Finigan, Director of Finance

Subject: **Approve use of Unforeseen Conditions Allowance and Contingency Allowance for construction of Phase IA of the Truman Waterfront Park**

Action Statement

This Resolution would approve use of \$49,310.50 of the Unforeseen Conditions Allowance and \$77,230.86 of the Contingency Allowance for construction of Phase IA of the Truman Waterfront Park, and authorize the City Manager to execute necessary documents.

Background

Resolution No. 15-326 accepted the proposal of Charley Toppino and Sons Inc., (CTS) for construction of the Truman Waterfront Park Phase 1A in the amount of \$17,453,752.67. The project Contract Documents and bid award for Notice to Proceed (NTP) 1 and NTP 2 provide \$629,236.33 for unforeseen conditions encountered during project construction and \$487,161.31 in project contingency funds.

Unforeseen Conditions:

Since contract award in December 2015 and subsequent commencement of construction, several unforeseen conditions have been encountered resulting in the following Field Change Directives (FCDs):

- FCD03: Modify paved parking area and affected structures near seagrape tree #38 to avoid buried root mass. Also incorporate landscaping changes and eliminate one section of exfiltration trench near ficus tree #41. Deductive cost is -\$27,990.00.
- FCD06: Remove buried reinforced concrete former seawall to facilitate construction of roadway, parking area and utilities. Additional cost is \$11,313.00.

Key to the Caribbean – Average yearly temperature 77° F.

MEMORANDUM

- FCD07: Construct revised design of Retention Area E and install necessary drains to avoid relocation of ATT conduit. Additional cost is \$7,615.50.
- FCD08: Replace existing unsuitable subgrade material with imported “Superblend” aggregate placed full-depth along the southern section of the main access roadway to achieve the necessary load bearing factor. Additional cost is \$56,972.00.
- Conduct two soft digs at \$700. each per direction of City to investigate unmarked utility locations. Additional cost is \$1,400.00.

Net total cost to address the above unforeseen conditions is \$49,310.50.

Contingency:

On behalf of the City, CTS will use Contingency Allowance funds to pay the Florida Keys Aqueduct Authority Service Fee of in the amount of \$77,230.86 to facilitate water supply permit processing including restroom and irrigation meter fees.

Purpose and Justification

Considering past history and use of the site as a military facility, unforeseen condition encounters were expected and a bid item price to address these situations was included in the contract award to CTS. Addressing conditions identified in FCDs 03, 06, 07 and 07 are required to complete the work and maintain project schedule.

Similarly, the need for a project contingency to address work scope changes and fees was included as a cost item. The FCAA requires service fees to be paid upon submittal of installation permit applications.

Construction of the Truman Waterfront Park is consistent with the City of Key West’s Strategic Goals #3 *Parks and Recreation areas are accessible to all residents and visitors* and Goal #5 *All of the City’s Destinations and Resources Are Accessible to Residents and Visitors*.

Financial Issues

Approval of this resolution will reduce available Unforeseen Conditions Allowance to \$505,369.83 and will reduce available contingency funds to \$433,399.07.

The total contract price and time remain unchanged.

Recommendation

Staff recommends approving the use of \$49,310.50 of Unforeseen Conditions Allowance and \$77,230.86 of the Contingency Allowance to continue construction of Phase IA of the Truman Waterfront Park, and authorize the City Manager to execute necessary documents.