



THE CITY OF KEY WEST

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TO: Bob Vitas, City Manager

FROM: James Bouquet, Director of Engineering

CC: E. David Fernandez, Asst. City Manager

DATE: May 12, 2014

SUBJECT: Approving Amendment #1 to Task Order 10 to K2M Design, Inc. for Additional Construction Administration for Fire Station #2

ACTION STATEMENT:

A resolution approving Amendment #1 to Task Order 10 to K2M Design, Inc. for additional Construction Administration for Fire Station #2 in the amount of \$30,000.00, and associated budget transfer to GN1204, Account 303-1900-519.62-00.

BACKGROUND:

The City of Key West awarded Task Orders 6 through 11 for the planning, design, contract administration and contract closeout services required for the construction of a replacement stand-alone Fire Station #2, including adjoining site development and bus shelter, to K2M Design, Inc. (formerly mbi/k2m Architecture, Inc.). Approval for Task Orders 6 through 11 was made pursuant to Resolution #08-253 and approved September 16, 2008; subsequently extended pursuant to Resolution #12-070 and extended with final approval in April 2012 with Resolution #12-125. Task Orders 6 through 9, consisting of Schematic Design, Design Development, Construction Documents and Bidding and Permitting, have been completed. Construction of Fire Station #2 commenced January 2014, with substantial completion currently scheduled for February 2015.

Task Order #10, Construction Administration, includes, but is not limited to, the following services to be provided by K2M during construction of Fire Station #2.

- Provide administration of the Contract between the City and the Contractor in accordance with the Contract Documents.
- Review timely requests by the Contractor for additional information about the Contract Documents.

EX-107993 SUMM-424

- Interpret and decide matters concerning performance of the City and Contractor under, and requirements of, the Contract Documents on written request of either the City or Contractor.
- Render initial decisions on claims, disputes or other matters in question between the City and Contractor as provided in the Contract Documents.
- Review and certify the amounts due the Contractor and issue Certificates for Payment in such amounts.
- Review and approve or take other appropriate action upon the Contractor's submittals such as Shop Drawings, Product Data and Samples.
- Specify appropriate performance and design criteria when professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents.
- Prepare Change Orders and Construction Change Directives for the City's approval and execution in accordance with the Contract Documents.
- Review properly prepared, timely requests by the City or Contractor for changes in the Work, including adjustments to the Contract Sum or Contract Time.

PURPOSE AND JUSTIFICATION:

In addition to performing services presented above, additional work performed by K2M includes addressing unforeseen subsurface conditions such as unsuitable soil, caprock depth and groundwater, thus requiring K2M to revise foundation and pile design. K2M also was required to resolve precast concrete design and fabrication issues with the Contractor's precast manufacturer.

Task #10, as approved in Resolution 12-125, was originally based on 130 hours of K2M labor associated with Construction Administration. As of May 2, 2014, K2M has expended 230 hours for Construction Administration services. This Task order increases the original 130 hours by an additional 350 hours, for a total of 480 hours. The additional 350 hours does not include K2M labor associated with elevator or generator foundation designs that were omitted from the original construction document package. K2M offers that elevator and generator foundation design time will not be billed to the City.

Revised Task #10 fee is summarized below:

Task #10 Original Funding: \$14,000 (K2M: 130 hours @ \$107.69/hour)
 \$21,400 (Subconsultants)
 \$34,400

Amendment #1: \$30,000 (K2M: 350 hours @ \$85.71/hour)

Task #10 New Total: \$64,400

Note that K2M is providing these additional services at a significantly discounted hourly rate. In addition, staff negotiated with K2M to reduce the additional fee from \$64,750 as initially proposed by K2M to the current \$30,000.

Upon review of the original Task #10 work scope, it became apparent to staff that the originally allocated 130 hours was insufficient to provide the level of site review, design clarification and responses to requests for additional information required for a project of this magnitude. The new total K2M fee for Task 10 (\$64,400) is consistent with industry guidelines of 1-2% for construction administration (\$59,044 to \$118,088) of the total construction cost (\$5,904,375).

OPTIONS:

There are two options:

1. Approve Amendment #1 to Task Order #10 in its entirety, maintaining the project schedule and continuity of the project team.
2. Disapprove the Amendment and direct staff to renegotiate the requested fee with K2M.

FINANCIAL IMPACT:

The cost to complete Amendment #1 to Task Order #10 is \$30,000. This Amendment is funded via a budget transfer from account 303-1900-519.98-06 (Capital Reserves) to account 303-1900-519.62-00 (Project GN1204).

RECOMMENDATION:

City staff recommends Option # 1, City Commission approval of Amendment #1 and associated budget transfer in its entirety for additional construction administration services associated with construction of Fire Station #2.