



THE CITY OF KEY WEST

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EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager

FROM: James Bouquet, P.E., Director of Engineering

DATE: February 17, 2016

SUBJECT: Key West City Hall Unforeseen Conditions

ACTION STATEMENT

Authorizing the City Manager to approve Change Order No. 4 in the amount of \$205,490.85 using available project contingency funds for unforeseen conditions encountered during construction of the New City Hall at Glynn Archer School. Extend the project substantial completion date by 90 calendar days to May 16, 2016.

BACKGROUND

Resolution No. 14-348 accepted the bid proposal of Burke Construction Group Inc. (Burke) for construction of a New City Hall at Glynn Archer School. The proposal was based on construction documents prepared by Bender & Associates Architects (Bender) dated August 2014. Consistent with reconstruction of an existing 90 year old structure, encountering unforeseen conditions and work items not covered in the construction documents are to be expected. In anticipation, the City included an original project contingency in the amount of \$198,500. funded by Resolution 15-169.

As the project has progressed since commencing work in January 2015, a number of Change Order Requests (COR's) primarily relating to unforeseen conditions have been received. The CORs, along with the required backup documentation, are attached. Each COR has been reviewed by City staff and Bender. The following additional cost determinations are the result of this review and negotiations with Burke.

COR No. 005: Concrete spalling was discovered during selective demolition of windows in Building B. Based on a unit price of \$250 per square foot, the total cost of the COR is \$9,527.79.

COR No. 009: During installation of the exterior wall bracing, two previously unknown septic tanks were discovered when screw pile augers punched into the tank cavities. If left on site the cisterns represented a life safety hazard. Total cost of the COR to abandon these tanks is \$3,810.10.

COR No. 014: During demolition of the first floor framing, asbestos containing materials, including pipe insulation, were encountered. These materials were located in a limited access area (crawl space beneath the main floor) and therefore not identified in the original asbestos survey. The abatement work needed to be completed before general demolition work could continue. Cost of the abatement (\$27,630.56) was verified as fair.

COR No. 016: Following demolition of the north and south porches, cracks in the auditorium walls were discovered. As these walls no longer carried gravity loads, the repair consisted of weatherproofing only. The pricing of this COR (\$14,663.01) has been confirmed as fair.

COR No. 017: An abandoned sewer lateral running from the gymnasium to United Street was discovered during site work. The lateral required removal and capping to facilitate site work. The cost of this COR is \$2,486.94.

COR No. 018: Additional weatherproofing (liquid flashing) was added at all windows. While not required by the Contract Documents, additional weatherproofing is recommended due to the actual condition of window openings as determined following original window removal. Pricing (\$6,369.99) has been determined to be fair.

COR No. 019: The roofing sub-contractor inspected the roof deck to determine if substrates were acceptable for a fully warranted membrane roof installation. This inspection and acceptance of the substrate is a requirement of the Contract Documents. Based on this inspection, the roofing sub-contractor required substrate repairs to the parapets before proceeding with roof installation. As the condition of the parapets was not visible until after removal of the original roof, these substrate repairs represent an unforeseen condition. Pricing of this COR (\$16,602.50) is fair.

COR No. 020: Burke requested additional compensation and time associated with installation and rental of wall bracing. The original bracing plan was rejected by Bender's structural engineer as the specified mid-height bracing was not provided. The need for mid-height bracing was verified following additional testing performed by Burke. The bracing plan redesign, subsequent review and approval and installation of the additional bracing delayed demolition, impacting the project's critical path schedule. The Contractor withdrew the request for additional compensation.

COR No. 021: Due to a variation in the anticipated foundation condition at Column Line B.5 Bridge Columns, adjustments to the floor slab were required. The \$6,365.17 cost associated with these adjustments has been determined to be fair.

PURPOSE AND JUSTIFICATION

Addressing the identified unforeseen conditions in a timely manner and in accordance with good engineering and construction practice is critical to providing a structurally stable building shell on which to construct the remaining components of New City Hall.

The improvement of infrastructure is critical to meeting the current and future needs of the City. This project is in accordance with the City of Key West's Strategic Goal #5: *All of the City's Destinations and Resources Are Accessible to Residents and Visitors.*

FINANCIAL ISSUES

Change Order#4 for unforeseen conditions in the amount of \$205,490.85 funded under Account #303-1900-519-62-00 (Project GN 1302). In anticipation of unforeseen conditions, the City included an initial project contingency of \$198,950. The City Commission subsequently approved this contingency amount under Resolution 15-169. The available contingency is supplemented by project funds generated from the Owner Direct Purchase (ODP) program. Current ODP savings of \$218,619 has increased the available contingency to approximately \$417,569. Additionally, a revised proposal for office furnishings and equipment for New City Hall at Glynn Archer School resulted in a savings of \$83,884 from the original proposal cost approved by City Commission under Resolution 15-369.

Current remaining project contingency is as follows:

Original Contingency:	\$ 198,950.00
ODP Savings to Date:	\$ 218,619.00
Furniture Savings:	\$ 83,884.00
Available Contingency:	\$ 501,453.00
CO#4:	(\$205,490.85)
Remaining Contingency:	\$295,962.15

RECOMMENDATION

Authorizing the City Manager to approve Change Order No. 4 in the amount of \$205,490.85 and extending the project "substantial completion" date to May 16, 2016 for unforeseen conditions encountered during construction of the New City Hall at Glynn Archer School is recommended.