

A G E N D A



Recommendation for Council Action (CMD)

Austin City Council

Item ID:

32014

Agenda Number

7.

Meeting Date:

April 17, 2014

Department:

Contract Management

Subject

Authorize funding for the New Central Library Project Construction Manager at Risk Contract with HENSEL PHELPS CONSTRUCTION COMPANY in the revised contractual construction cost limitation amount of \$116,358,200 with a \$1,842,000 contingency, for a total not to exceed amount of \$118,200,200, for the construction of the New Central Library and Related Improvements Project including the 2nd Street bridge, utilities, and roadway improvements.

Amount and Source of Funding

Funding is available in the Fiscal Year 2013-2014 Capital Budget of various City Departments.

Fiscal Note

A fiscal note is attached.

Purchasing
Language:

Prior Council
Action:

May 9, 2013 – Council approval of Construction Cost Limitation and approval to negotiate and execute a guaranteed maximum price for the New Central Library and Related Improvements. October 18, 2012 – Council approval to negotiate and execute an amendment for additional Preconstruction Phase Services with Hensel Phelps Construction Company. January 26, 2012 - Council approval to negotiate and execute an amendment for additional Preconstruction Phase services with Hensel Phelps Construction Company. July 29, 2010 - Council approval to negotiate and execute a CMAR contract with Hensel Phelps Construction Company. March 6, 2008 - Council authorization of Construction Manager at Risk as project delivery method.

For More
Information:

Cynthia Jordan, 512-974-7183; Lynda Williams, 512-974-3066; Elizabeth Godfrey, 512-974-7141; Felecia Shaw, 512-974-6017.

Boards and
Commission
Action:

Related Items::	
MBE / WBE	This contract was awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals for Preconstruction Phase Services of the Construction Manager at Risk agreement of 7.69% MBE and 3.02% WBE. Current and future work packages for Construction Phase Services contain MBE /WBE goals which are: 2.07% African American; 7.26% Hispanic; 0.80% Native/Asian; and 2.44% WBE.
Additional Backup Information	
<p>The New Central Library and Related Improvements Project includes three distinct elements: the New Central Library, the 2nd Street Extension (including a bridge over Shoal Creek and the related improvements to the Shoal Creek Greenbelt), and a new artistic perimeter screen wall around the Seaholm Substation. Because of the interrelated nature of the project elements and their overlapping work zones, the work has been consolidated under a single Construction Manager at Risk (CMAR) agreement with Hensel Phelps Construction Company.</p>	
<p>In May 2013, staff received Council authorization of a Construction Cost Limitation (CCL) for the project of \$111,900,000 (including \$2,600,000 Owner Contingency for unforeseen conditions, scope changes, code interpretation, etc.) which was provided by Hensel Phelps and was based upon 60% drawings. Early work commenced on site under the first partial Guaranteed Maximum Price (GMP) in June 2013. In October 2013, a revised total cost was received from Hensel Phelps based upon 90% drawings and unfortunately the total cost was above the authorized CCL, but still within the overall project budgets of both the New Central Library and the 2nd Street Extension projects. In order to keep the overall project moving forward, a second partial GMP was approved for a value that remained within the authorized CCL. Scopes of work include the library's concrete and steel structures; mechanical, electrical, and plumbing systems; building envelope construction, including masonry, metal siding, and glazing; the 2nd Street bridge, and mechanically stabilized earth or MSE wall construction. A notice to proceed was issued in January 2014, and work is underway. The third partial GMP was received on March 19, 2014, and includes all remaining work associated with the library and 2nd Street. Partial GMP3 includes Library finishes, site concrete and landscaping; 2nd Street roadway construction; and Shoal Creek Greenbelt landscaping. Negotiations are currently in progress. Staff intends to issue a Notice to Proceed for these scopes of work no later than May 14, 2014.</p>	
<p>The final and fourth partial GMP will be for the construction of the perimeter screen wall around the Seaholm Substation. Final design completion and cost estimating will be finished sometime in June 2014. Soon thereafter, staff will return to Council for funding authorization for the final Construction Cost Limitation amount to include the Seaholm Screen Wall.</p>	
<p>This Request for Council Action revises the Construction Cost Limitation and thereby provides additional funding authorization for the New Central Library and Related Improvements project with Hensel Phelps Construction Company, Construction Manager at Risk, in the amount of \$116,358,200 with \$1,842,000 Owner contingency for a total not to exceed authorization of \$118,200,200.</p>	
<p>This need for additional authorization is due to many contributing and significant factors which includes: inclusion of audio visual equipment, specialty built-in furniture, and bicycle racks for the New Central Library and upgraded elevators at the request of the Library Department; additional pre-construction services; cost variances between initial estimates and actual pricing; multiple unforeseen site conditions; increase in construction costs to address code requirements; and inclusion of additional work related to communications conduits.</p>	
<p>Preconstruction Phase and General Conditions Costs MBE/WBE Participation to Date: In 2010, the CMAR agreement was awarded to Hensel Phelps for \$250,000 for Preconstruction Phase Services in compliance with Minority and Women Owned Business Enterprise Procurement Program by meeting the goals with 7.69% MBE and 3.02% WBE participation. These goals also included the General Conditions of the construction contract. In 2011 and 2012, additional Preconstruction Phase services and General Conditions costs were added to the CMAR agreement when the</p>	

2nd Street Bridge & Extension from Shoal Creek to West Avenue and the Seaholm Substation Screen Wall were added to the contract. The incorporation of these additional scopes resulted in an increase in the scope of work performed by the CMAR (Hensel Phelps) without impacting Hensel Phelps' commitment to their MBE/WBE subconsultant/subcontractor participation during this phase. Due to the nature of this additional Preconstruction Phase scope a disproportion in the original established goals set in 2010 has resulted. To date most preconstruction services have been performed by Hensel Phelps. To date, participation of subcontractors/subconsultants on Hensel Phelps' approved Compliance Plan whose work effort is tied to the procurement process for construction phase or for General Conditions of the construction contract is: 4.16% MBE and 1.60% WBE.

Construction Phase Services MBE/WBE Participation to Date: Construction work packages for the first three partial GMPs contain MBE/WBE goals which are: 2.07% African American; 7.26% Hispanic; 0.80% Native/Asian American; and 2.44% WBE. Multiple construction work packages are in varying stages of solicitation, evaluation, and award or buy-out and compliance with the MBE/WBE Ordinance is required of Hensel Phelps. Participation to date for the initial phases of work to include soil retention, utilities, and bridge and bank stabilization is: 0.61% African American; 6.15% Hispanic; 0.53% Native/Asian American; and 0.67% WBE.