



**Construction Contract  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 37  
**AGENDA DATE:** Thu 05/27/2004  
**PAGE:** 1 of 4

**SUBJECT:** Authorize an increase in the owner's contingency for the construction contract with Construction Manager at Risk, HENSEL PHELPS CONSTRUCTION COMPANY, Austin, TX, for change orders related to the New City Hall - Building and Public Plaza (Phase III) in the amount of \$625,854, for a total contract amount not to exceed \$33,912,854.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$625,854 is available in the Fiscal Year 2003-2004 Capital Budget of the Economic Growth and Redevelopment Services Office.

**FISCAL NOTE:** A fiscal note is attached

**REQUESTING** Public Works                      **DIRECTOR'S**  
**DEPARTMENT:**for Economic Growth and **AUTHORIZATION:** Sondra Creighton  
Redevelopment Services;

**FOR MORE INFORMATION CONTACT:** Ron Davis, 974-7001; Nathan Schneider, 974-7131; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** 08/29/02 - Approved Construction Manager-at-Risk process for New City Hall - Building and Public Plaza (Phase III); 12/12/02 - Approved Construction Manager-at-Risk contract with Hensel Phelps Construction Company; 07/17/03 - Approved Amendment No. 2 to the Construction Manager-at-Risk contract; 02/12/04 - Approved Change Order No. 10.

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** 13.84% MBE and 12.75% WBE subcontractor participation to date.

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On December 12, 2002, City Council authorized the City Manager to negotiate and execute a Construction Manager-at-Risk (CMR) contract with Hensel Phelps Construction Company for a Construction Manager Fee, General Conditions, an estimated allowance for Pre-Construction Phase Services and an estimated allowance for an Initial Construction Trade Package, for an early start of construction on the New City Hall and Public Plaza (Phase III), in an amount not to exceed \$16,968,282. The CMR contract was executed January 3, 2003, with Amendments #1A and #1B executed on April 7, 2003 and May 16, 2003, respectively, for the fees described above and Initial Construction Trade Packages. On July 17, 2003, City Council authorized the City Manager to negotiate and execute Amendment #2 to the CMR contract for the remaining construction trade packages, with an increase to the contract authorization in the amount of \$15,883,718, for a total contract authorization of \$32,852,000.

On December 4, 2003, this authorization was increased by \$45,000, using administrative authority. On February 12, 2004, City Council authorized the negotiation and execution of Change Order No. 10, for the installation of parking garage control equipment and repaving Cesar Chavez, in the amount of \$345,000; for a total contract authorization of \$33,242,000. On April 27, 2004, the contract authorization was increased by \$45,000, using administrative authority. Approval of this proposed \$625,854 increase to the Owner's contingency allowance will provide funding for pending and future change orders to complete this building on time. This increases the Owner's contingency from 1.32% to 3.23% which is



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**PAGE:** 2 of 4

well below industry standards for this building type.

**Components of the CMR construction contract with Hensel Phelps Construction Company include:**

Construction Manager Fee (overhead and profit).....	\$1,000,000.00
General Conditions .....	\$1,725,000.00
Pre-Construction Phase Services.....	\$145,000.00
Amendment No. 1A: Subcontracts for site & utility work, reinforced concrete structure, hoisting and miscellaneous purchases.	\$6,187,148.00
Amendment No. 1B: includes subcontracts for waterproofing, mechanical, electrical, plumbing, fire protection, security systems, and elevators.	\$6,823,389.00
Amendment No. 2: Subcontracts for roofing, siding, drywall, masonry, glazing, interior finishes, landscaping, additional mechanical, electrical, plumbing and construction allowances for subcontracts that were not yet bought out.	\$16,072,791.00
Construction Manager's (CMR) contingency (balance at Amendment No. 2)	\$770,824.00
Owner's contingency, (balance at Amendment No. 2).....	\$172,848.00
Increase to Owner's Contingency (administrative authority).....	\$45,000.00
Change Order No. 10 – parking control equipment and paving Cesar Chavez	\$345,000.00
Increase to Owner's Contingency (administrative authority).....	<u>\$45,000.00</u>
Sub-total, current contract authorization	\$33,287,000.00
This increase to Owner's contingency for pending and future change orders .....	<u>\$625,854.00</u>
Total not-to-exceed amount for this contract	\$33,912,854.00



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**PAGE:** 3 of 4

**CHANGE ORDER INFORMATION:**

**CONTINGENCIES**

DATE	CO#	DESCRIPTION	CMR	OWNER	CO%
Contingency	1	Competitive Sealed Proposal (CSP) document reproduction, CSP#1A	\$42,000		0.13%
Contingency	2	CSP document reproduction, CSP#1B, \$40,000	\$40,000		0.12%
Contingency	3	Additional CSP document reproduction, structural revisions and addition of water softening equipment, in the amount of \$47,714 was included in CSP#1B	\$47,714		0.15%
Contingency	4	Preconstruction phase and value engineering services and related construction document modifications prior to issuing competitive sealed proposals		\$70,345	0.22%
Contingency	5	Additional general conditions, structural modifications and waterline utility work.	\$20,788		0.06%
Contingency	6	Site work, drainage and backfill in plaza, in the amount of \$352,773, funded from CMR site work allowance that was included in Amendment No. 2	-	-	0.00%
Contingency	7	Structural modifications	\$12,779		0.04%
Contingency	8	Structural, site work and utility revisions		\$14,278	0.04%
Contingency	9	Administrative authority increase in the amount of \$45,000 to Owner's contingency		-	0.14%
Other funding	10	Parking control equipment and Paving of Cesar Chavez was added to the CMR contract in the amount of \$345,000	-	-	1.08%
Contingency	11	Various items related to coordination of building systems	\$141,052		0.44%
Contingency	12	Various items related to coordination of building systems and value engineering credits to Owner's Contingency		<\$81,247>	-0.25%
Contingency	13	Various items related to coordination of building systems		\$45,960	0.14%
Contingency	14	Various mechanical, electrical revisions and road work	\$124,472		0.39%
Contingency	15	Various items related to coordination of building systems		\$113,171	0.35%
Total of change orders			\$428,805	\$162,507	

CMR contract amount prior to this council action.....	\$32,889,100
CMR Contingency allowance, balance remaining.....	\$342,559
Owner Contingency allowance, balance remaining.....	<u>\$55,341</u>
Total contract authorization prior to this council action.....	\$33,287,000

Previous increases to total contract authorization.....	\$435,000	1.32%
This increase to total contract authorization.....	\$625,854	1.90%
Total increase to contract authorization to date including this council action ..	\$1,060,854	3.23%
Total contract authorization including this council action.....	\$33,912,854	



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PAGE: 4 of 4**

Pre-construction Phase Services Goals: Separate participation goals were established by SMBR for the pre-construction phase services trades packages (which includes the Construction Manager at Risk Fee Stipulated Sum, the General Conditions Stipulated Sum and an estimated amount for pre-construction phase services). Participation goals stated in the RFQ/RFP solicitation were: 2.28% African American; 3.16% Hispanic; 1.28% Native/Asian American and 3.16% WBE.

Overall subcontractor participation accomplished to date for the pre-construction phase services are: 2.40% African American, 6.39% Hispanic, 0.78% Native/Asian American and 1.94% WBE and 0.60% Non-M/WBE.

Construction Phase Services Goals: Participation goals established for the construction phase were: 3.34% African American; 10.17% Hispanic; 2.21% Native/Asian American and 5.75% WBE.

Total estimated construction phase participation for this Owner's contingency allowance increase can not be determined at this time.

Overall subcontractor participation for the construction phase to date is:

2.21% African American, 11.70% Hispanic, 0.80% Native/Asian American, 14.31% WBE and 70.98% Non M/WBE.

## CIP Fiscal Note

DATE OF COUNCIL CONSIDERATION:

5/27/2004

WHERE ON AGENDA:

Resolution

DEPARTMENT:

Public Works for Economic Growth & Redevelopment Services

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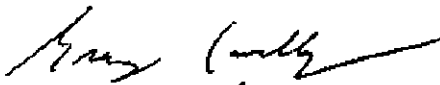
### FINANCIAL INFORMATION:

Project Name: New City Hall, Plaza, & Parking  
Project Authorization: 2000-01 Amended Capital Budget  
Funding Source: CSC Funding; FY02 Certificates of Obligation  
FY03 Certificates of Obligation; 1998 G.O. Bonds P1;  
FY02 Austin Energy Xfr; FY03 Austin Energy Transfer  
FY02 Water/Wastewater Xfr; FY02 CIP Interest; FY03 General Fund Xfr;  
FY03 Contractual Obligations; FY04 CIP Interest; Retail Participation  
Number: 8999-607-2400; 8999-607-2401; 8999-607-2402; 8999-607-2403;  
8999-607-2404; 8999-607-2451; 8780-607-2108; 3060-117-1691;  
3920-227-7062; 8640-567-0002; 8640-567-0120; 8999-607-2402;  
8999-607-2403

Current Appropriation	\$52,917,000
Unencumbered Balance	\$885,484
Amount of This Action	(\$625,854)
Remaining Balance	<u>\$259,630</u>

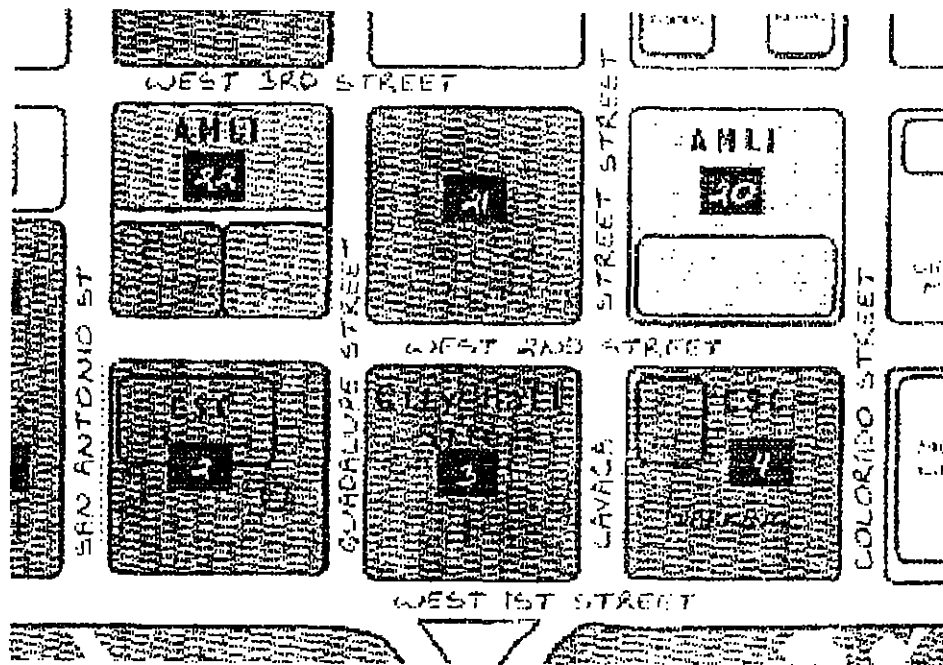
Ref # 8999-607-2400

Budget Office: \_\_\_\_\_

  
Fred Ruby GAZA

Date: 5-21-04

RCA # 5116



## LOCATION MAP

# Proposed **CITY HALL SITE**

BLOCK 3  
City of Austin