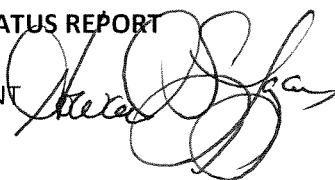




## MEMORANDUM

TO: MAYOR AND COUNCIL MEMBERS

SUBJECT: **NEW CENTRAL LIBRARY; 2<sup>nd</sup> STREET BRIDGE; SEAHOLM WALL STATUS REPORT**

FROM: HOWARD S. LAZARUS, PE, DIRECTOR, PUBLIC WORKS DEPARTMENT 

CC: MARC A. OTT, CITY MANAGER  
BERT LUMBRERAS, ASSISTANT CITY MANAGER  
SUE EDWARDS, ASSISTANT CITY MANAGER  
ROBERT D. GOODE, ASSISTANT CITY MANAGER  
BRENDA BRANCH, LIBRARY DIRECTOR  
ELAINE HART, CHIEF FINANCIAL OFFICER

DATE: APRIL 7, 2014

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**BACKGROUND:** The New Central Library (NCL), the 2<sup>nd</sup> Street Bridge (including a new bridge over Shoal Creek and the related improvements to Shoal Creek trail), and the Seaholm Wall (a new artistic perimeter screen wall around the Seaholm Substation) are three distinct projects. Because of the interrelated nature of these projects and their overlapping work zones, the work has been consolidated under a single Construction Manager at Risk (CMAR) agreement with Hensel Phelps (HP). The budget for each project is as follows \$120.8M for the NCL, \$29.1M for 2<sup>nd</sup> Street, and \$2.1M for the Seaholm Wall. Each project has its own unique funding source.

**STATUS:** A summary status of each component of the project is provided below:

**New Central Library:** Work is proceeding on schedule for a November 2016 opening. Excavation of the foundation for the library structure is nearing completion, and placements of components of the floor slab are underway with the major concrete placement anticipated to be in mid-May.

**2<sup>nd</sup> Street Bridge:** Work has been focused on the drilling of the foundation structures. The six drilled shafts on the west side are complete and all but one remain to be installed on the east side. Excavation work to prepare for the construction of the mechanically stabilized earthen (MSE) walls will begin within the month in anticipation of the completion of the bridge abutments and the arrival of the bridge girders.

**Seaholm Wall:** Design of the wall structure is being revised to address site conditions and subsurface infrastructure. Work on the foundation is scheduled to begin in mid-June, with the intent of completing the support structure for the eastern wall along Shoal Creek Trail so that it will not interfere with the construction of the 2<sup>nd</sup> Street Bridge.

**CONSTRUCTION MANAGER AT RISK PROCESS:** When a CMAR approach is used, work is issued to the Construction Manager under a Guaranteed Maximum Price (GMP) contract. At the 60% design stage, the CMAR provides an *Initial GMP estimate*, which is used for planning and budgeting purposes. At the 90% design stage, the CMAR provides final pricing on discrete work packages, or partial GMPs, until all project components are issued. The guaranteed maximum price is only “locked in” after the pricing for all of the work packages/partial GMPs are received. At that time, project funds may need to be shifted within the budget to authorize the cash flow required to meet the GMP. This funding mechanism is called the “Construction Cost Limitation” (CCL). Work is performed under the GMPs on a cost-reimbursable basis up to the approved CCL.

**CONSTRUCTION COST LIMITATION:** In May 2013, staff received Council authorization of a Construction Cost Limitation (CCL) for the combined three projects of \$111.9M: \$91.6M for the NCL, \$18.6M for 2<sup>nd</sup>, and \$1.7M for the Seaholm Wall. This request was based upon 60% drawings, and utilities scopes of work commenced on site in June 2013 under a partial Guaranteed Maximum Price contract (GMP). In October 2013, a revised total cost was received from Hensel Phelps based upon 90% drawings. At that time, a second partial GMP was issued to allow work to continue while they received pricing on total project scope and the overall GMP was being negotiated. Final pricing has been received for the NCL and 2<sup>nd</sup> Street components and, as stated above, funds need to be moved within the budget to authorize the revised Construction Cost Limitation needed to establish the GMP for these components. The revised CCL will provide funding for additional pre-construction services that have been incurred, address cost variances between initial estimates and actual pricing, and address unforeseen site conditions. With this GMP, Hensel Phelps will be able to lock-in pricing with its subcontractors. ***While we are shifting project funds to the CCL, the New Central Library and 2<sup>nd</sup> Street elements remain within their established budgets.***

Design of the Seaholm Wall has not yet been finalized. Safety issues and subsurface foundation challenges have required re-design. Staff will return to Council to finalize this last aspect of the project once the remaining design issues are resolved and final pricing is received. Work will continue on the parts of Seaholm Wall scope that affect the NCL and 2<sup>nd</sup> Street under the current authorization.

**NEXT STEPS:** Council will be presented with a request to move funds within the budget to fund the revised Construction Cost Limitation (CCL) for the contract with Hensel Phelps on the New Central Library and 2<sup>nd</sup> Street Bridge Project at its April 17<sup>th</sup> meeting. The new CCL will total \$118.2M.

Work will continue on the Seaholm Wall and alternatives will be presented to Council as soon as they are identified.

**POINT OF CONTACT:** I am available at 512.974.7190 or [howard.lazarus@austintexas.gov](mailto:howard.lazarus@austintexas.gov).