



Austin/Travis County Health and Human Services Department



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M E M O R A N D U M

TO: Mayor and Council
FROM: David Lurie, Director
DATE: March 5, 2010
SUBJECT: Animal Services Center Agenda Items

The March 11, 2010 Council agenda includes two items related to the Animal Services Center – the construction contract award, and a budget amendment in the amount of \$588,000.

Background

Needs Assessment/Bond Election Advisory Committee

In February 2005, the City began a needs assessment process in preparation for the 2006 Bond Election. As a part of that process, a new animal shelter was proposed. The initial staff submission was for replacing the shelter at its existing location at a cost of \$22.3 million. Staff proposals were provided to the Bond Election Advisory Committee (BEAC) for their review. In July 2005, at the request of the BEAC Facilities Subcommittee, staff was asked to put together an estimate to locate the shelter at the Levander Loop site. This estimate was \$16.3 million, not including an estimated \$2.0 million for required infrastructure improvements to the Campus for a total of \$18.3 million. Through the deliberations done by the BEAC, the funding for the animal shelter was pared down to \$12.0 million to be included in the bond program, which voters approved in November 2006.

Site Confirmation

On October 11, 2007, Council approved a resolution designating the location of the new Animal Services Center at the Betty Dunkerley Campus. As a part of the briefing on that action item, staff indicated the need for infrastructure improvements at the Campus that would be funded outside of the \$12 million for the Animal Services Center. (Note: a similar presentation was made to the Public Health and Human Services Subcommittee on 8/8/2007.) The infrastructure improvements include water line, wastewater line, fire line, telecommunications conduits, electric service lines, parking and road improvements, and other site improvements. Funding in the amount of \$3.0 million for these improvements was included in prior year approved Capital Budgets (FY08 and FY09).

At that time, the project cost estimates were \$12.0 million for the Animal Services Center and \$2.52 million for the infrastructure improvements for a total of \$14.52. The estimate for rebuilding at the TLAC site was \$22.3 million.

Design/Bid Process

Both projects – the new Animal Services Center and the Campus Infrastructure – were included in one design effort and were subsequently bid as one project. The current favorable bidding environment allowed the entire scope of both projects to be bid. The construction contract award that is on this week's agenda is for the low bidder at \$12.1 million including contingency.

The estimated total cost of both projects, including both soft and hard (i.e. construction contract) costs, is \$16.0 million. Since the presentation in October 2007, the following changes have occurred that increased total project costs from \$14.52 million to \$16.0 million:

- Cost for infrastructure was increased by \$500K
- Solar panels and solar hot water were added for \$200K
- GAATN, telephones, cabling and Security cost increased by \$373K
- Equipment, Fixtures, and Furniture increased by \$100K
- The estimate prepared in 2007 was based on the square footage at the TLAC facility without having prepared any design. Once the design process was completed, square footage increased by 3,500 square feet to accommodate needs related to mechanical, electrical, plumbing and cleaning systems for a cost increase of \$788K.
- For any City project, as construction costs go up, Rolling Owner Controlled Insurance Program (ROCIP) costs also increase.
- Costs were reduced in other areas to keep down overall project cost through a decrease in project management and construction by value engineering.

Of the \$16.0 million in total project costs, \$15.4 million is available. A budget amendment in the amount of \$588,000 that is on this week's agenda is necessary to ensure that adequate funding is in place. This funding will come from CIP Contingency, a reserve fund established by Financial Policy, to ensure completion of capital projects.

CIP Contingency Funding

Use of the CIP Contingency fund – which is funded by interest earned on bond proceeds – is common for facility bond projects. The CIP contingency is meant to address unanticipated or increased project costs that typically arise due to the significant gap in time between when a cost estimate for a project is prepared (before a bond election), and when the project is designed and constructed. In prior years, projects that have used CIP Contingency included the Spicewood Springs Library, Mexican American Cultural Center, Gus Garcia Recreation Center, North Village Library, Twin Oaks Library and the Austin Tennis Center.

Recommendation

We recommend that Council approve the budget amendment and construction contract award. The design of the new Animal Services Center was reviewed with the Animal Advisory Commission (AAC) in February, 2009 for their input. Community meetings were held on the proposed design of the Animal Services Center in April, 2009.

Should you need additional information, please contact my office at 972-5010.

Cc: Marc A. Ott, City Manager
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