

TO: HONORABLE CITY COUNCIL



FROM: CITY MANAGER

DEPARTMENT: PUBLIC WORKS

DATE: APRIL 21, 2003

CMR:229:03

SUBJECT: DOWNTOWN PARKING STRUCTURES (CAPITAL IMPROVEMENT PROJECT 19530): APPROVAL OF AMENDMENT NO. 3 TO CONTRACT C8103688 WITH TURNER CONSTRUCTION IN THE AMOUNT OF \$76,800 FOR ADDITIONAL TESTING AND INSPECTION SERVICES AND APPROVAL OF AMENDMENT NO. 4 TO CONTRACT C6076145 WITH WATRY DESIGN, INC. IN THE AMOUNT OF \$37,400 FOR ADDITIONAL DESIGN SERVICES AND REQUEST FOR ADDITIONAL CONTINGENCY MONIES FOR FUTURE UNFORESEEN DESIGN NEEDS

RECOMMENDATION

Staff recommends that Council:

1. Approve and authorize the Mayor to execute Amendment No. 3 to Consultant Contract No. C8103688 with Turner Construction (Attachment A), in the amount of \$76,800 to provide for additional testing and inspection services for the Downtown Parking Structures.
2. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Turner Construction for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed \$100,000.
3. Approve and authorize the Mayor to execute Amendment No. 4 to Consultant Contract No. C6076145 with Watry Design, Inc. (Attachment B), in the amount of \$37,400 to provide additional design services for the Downtown Parking Structures.
4. Authorize the City Manager or his designee to negotiate and execute one or more change orders to the contract with Watry Design for related, additional but unforeseen work which may develop during the project, the total value of which shall not exceed \$80,000.

BACKGROUND

Two parking structures are currently under construction downtown. The larger garage is located at Lot S/L (Bryant/Lytton) and the smaller garage is at Lot R (between High and Alma Streets, south of University Avenue). Construction began in May 2002. When both garages are

completed by November 2003, they will provide over 700 additional parking spaces downtown. Construction was funded via an assessment district formed by a majority vote of downtown property owners.

DISCUSSION

Staff is requesting approval of two contract amendments that would provide for additional design, inspection and staffing services. The additional monies are available in Capital Improvement Project (CIP) 19530, Downtown Parking Structures, financed by the Downtown Parking Assessment District.

Since the amount of services required exceeds the remaining contingency budget for both Turner Construction and Watry Design, contract amendments are being requested to provide for future work. In addition, the contingency budgets for both the Turner and Watry contracts have been depleted and staff is requesting additional contingency funding for potential unforeseen future work. There is approximately \$3 million remaining in CIP 19530 available for the amendments and increased contingency.

Contract Amendment with Turner Construction and Watry Design Group

Turner Construction was hired to provide construction management at the job site to support City staff, as City staffing levels are not sufficient for a project of this size. The proposed Contract Amendment No. 3 for \$76,800 with Turner is to provide for:

- An extended on-site work period resulting from legal actions and subsequent project delays at Lot R (\$49,900). Legal actions brought by the owner of the Yoga Source building regarding access issues extended the Lot R construction period. This in turn will extend the amount of time that Turner staff and its construction trailer would need to remain on-site.
- Stone tiles will be installed on the exterior of the Lot R garage. Installing the tiles correctly is critical to ensure that they stay secured to the building. To make sure that the contractor secures the tiles correctly, the Building Division requires an inspector be present during the installation. This requirement, at a cost of \$26,900, was not in Turner's original subcontract for inspection services.

Watry Design Group is the project's architect. Amendment No. 4 for \$37,400 would provide for:

- **Additional Architect Oversight**
An additional \$10,350 in fees was requested to provide for a greater involvement by the architect in the inspection process at both garages. As mentioned previously, legal actions by Yoga Source delayed the work at the Lot R site and impacted the contractor's planned work flow by requiring larger crews to work simultaneously on both garages in order to meet the completion date. This compressed work schedule in turn impacted the City's inspectors, who were already involved in several other large projects throughout the City. The Building Division requested pre-inspections by the architect, and a greater involvement with the Building Division's Plan Check engineer in order to reduce the amount of time it would take to inspect and approve the project.

- **Review and Archive As-Built Record Drawings**
A budget increase of \$23,050 is requested for the architect's review of the "as-built" record drawings for both garages. During construction, various changes are made to the building plans to accommodate field conditions or other concerns. The contractor then makes hand-marked revisions on the plans in order to track these changes over the course of a project. The architect will review the 360 sheets for correctness, transfer field changes to Watry's Design Group computer drawings as needed, and finally scan the drawings into a computer format that will allow for future retrieval by staff.
- **Additional Design for Leased-Space Restrooms:**
An additional \$4,000 is requested for Watry Design Group to design toilet spaces, connections and fixtures for the City's future commercial/retail tenant space at the corner of Lytton/Bryant. This two-floor space will be leased by the City in order to recover construction costs for the commercial space, as well as to provide revenue for youth activities and other General Fund services. Initially, Watry Design Group had designed only the stubbed-out plumbing connection points, leaving construction of walls, fixtures and lighting to the tenant. After recent discussions with the Real Estate Division and architect, staff feels the space will be more leaseable if the restroom facilities are already provided as it would allow for faster occupation by a future tenant. In addition, McCarthy Contractors will have plumbing contractors already on-site as part of the parking structure construction. This would result in lower plumbing costs than might be available to a future tenant as they would not incur mobilization costs and would benefit from McCarthy's quantity of scale orders on restroom parts (both garages will have public restrooms). Costs incurred by a tenant in upgrading their building are passed on to the owner (in this case the City), usually through some form of lease reduction.

Contingency Increases for Turner and Watry Design

An increase of \$100,000 is being requested in order to replenish the contingency budget for the Turner contract, which was depleted early in the project due to:

- The adjacent building to the south of the site and fronting Alma Street (former home of Yoga Source) once housed an automobile repair shop and records indicate that at one time there was an underground storage tank on Lot R. Exploratory excavations prior to construction did not locate any tanks in the area. During construction, 5 abandoned oil storage tanks, 2 hydraulic car lifts and some asbestos pipe were uncovered. The tanks were removed, the soil tested and clean soil was backfilled into the holes. The physical removal of the tanks was done by McCarthy Contractors, while the site inspection and testing was done by Lowney Associates (Geotechnical Engineers) under a subcontract to Turner Construction. There was sufficient construction contingency to reimburse McCarthy Contractors for the physical removal of the tanks. However Turner's contingency budget was reduced by \$71,637 (nearly 50 percent) by costs incurred for soils testing.
- Inspection of the shoring and underpinning process was overlooked by the architect and staff in Watry Design Group's construction phase contract. Since Watry's remaining

contingency was not sufficient to cover this cost, Turner subcontracted with the geotechnical engineer for this service. The cost for this inspection service was \$27,623.

Turner's contingency fund at the start of the construction phase was \$163,205, of which \$121, 586 remains. There are, however, currently two potentially large change orders currently being researched by Turner. If these change orders are approved by the Public Works Director, the remaining contingency would likely be ten percent of the original contingency budget with more than half of the project remaining to be built. Replenishing the contingency amount by \$100,000 would reduce the potential for project delays if staff needed to return to Council for additional monies. Staff and consultants try to anticipate unforeseen construction issues, but in a project of this size, even minor changes can add up to many thousands of dollars in additional design fees. If the needed fees exceed the contingency budget, returning to Council for additional monies can add over a month to the project duration. Both garages have been on an extremely tight construction schedule and construction delays would almost certainly extend the pre-holiday season opening date. Any contingency funds that remain at the end of the project will be used to offset debt service payments and reduce the annual assessment to District property owners.

On June 4, 2001, Council approved a contract amendment with Watry Design Group that provided for both the final design and the construction phase for the parking structures (CMR:263:01), with a contingency of \$163,000. The contingency has now been almost completely expended on various design modifications, such as architectural support during the Lot R litigation, redesign to avoid underground utilities and revisions to the fire alarm system as requested by the Fire Department. Since construction is roughly half complete, staff is requesting additional contingency funds of \$80,000, which is nearly half of the original \$163,000.

RESOURCE IMPACT

Funding for the garage construction and construction administration services was budgeted for Capital Improvement Project (CIP) 19530 within the \$45.9 million assessment district. The \$294,867 in additional services requested in the contract amendments for Turner Construction and Watry Design Group is available within CIP 19530.

POLICY IMPLICATIONS

Approval of the contract and contract amendment are consistent with existing City policies.

TIMELINE

Groundbreaking on both structures was in May 2002. Lot R is expected to be completed in August 2003 and Lot S/L in November 2003.

ENVIRONMENTAL ASSESSMENT

An Environmental Impact Report was prepared as part of the PC zoning application and was certified by Council on December 20, 1999.

ATTACHMENTS

Attachment A: Amendment No. 3 to Contract C8103688 with Turner Construction

Attachment B: Amendment No. 4 to Contract C6076145 with Watry Design, Inc.

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