



TO: Mayor and City Council

FROM: John McDonough, City Manager

DATE: August 8, 2016 for submission on the August 16, 2016 City Council Meeting agenda

ITEM: RESOLUTION TO INCREASE THE GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER PURSUANT TO THE PROVISIONS OF A CERTAIN CONTRACT FOR CONSTRUCTION BETWEEN THE CITY OF SANDY SPRINGS, GA AND HOLDER CONSTRUCTION GROUP, LLC, DATED JUNE 30, 2015, AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE CHANGE ORDER

Background and Discussion:

On June 16, 2015 at regular Council meeting, City Council adopted a resolution approving a certain Contract for Construction ("Contract") between the City of Sandy Springs, GA ("City") and Holder Construction Group, LLC ("Holder") for constructing the City Springs project ("Project").

Pursuant to the Contract, Holder agreed that the cost to the City of performing the work under the Contract, including the cost of the work described in the Contract, the general conditions costs, and Holder's fee, shall not exceed the Guaranteed Maximum Price ("GMP"), as established by change order pursuant to the Contract. The Contract further provides that in connection with the establishment of a GMP, Holder shall submit to the City a detailed GMP pricing proposal for constructing the entire Project ("GMP Proposal"), to be added to the Contract by change order ("GMP Change Order").

On February 16, 2016, Council approved a GMP value of \$180,057,353.00 for the Project. The GMP value was supported by a GMP Proposal dated January 29, 2015 and a GMP Change Order dated February 16, 2016, all in accordance with Contract provisions.

The Contract further provides that an adjustment to the GMP may be made as authorized by written change order. In that connection, Holder has submitted a change order ("Change Order #5"), with supporting documentation as required by the Contract, to increase the GMP value by the amount of \$8,898,937.00, for a new GMP value of \$188,956,290.00. This increase is due to: transfers from the City held budgets for equipment, design evolution/completion, differing site conditions, and scope changes. Change Order #5, when executed, will effectively be added to the Contract. A copy of Change Order #5 is attached to the Resolution.

Recommendation:

Staff and City consultants recommend that City Council approve an increase in the GMP value of \$8,898,937.00 for a total GMP of \$188,956,290.00, as described in the attached Change Order #5, and further recommend that City Council authorize the City Manager to execute the attached Change Order #5.

Alternative:

Reject the recommendation and provide further instruction to the City Manager and staff.

Attachments:

Resolution with attached Change Order #5.

STATE OF GEORGIA
COUNTY OF FULTON

RESOLUTION TO APPROVE AN INCREASE TO THE GUARANTEED MAXIMUM PRICE (“GMP”) FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER PURSUANT TO THE PROVISIONS OF A CERTAIN CONTRACT FOR CONSTRUCTION BETWEEN THE CITY OF SANDY SPRINGS, GA AND HOLDER CONSTRUCTION GROUP, LLC, DATED JUNE 30, 2015, AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE CHANGE ORDER

WHEREAS, on June 16, 2015 at a regular Council meeting, City Council adopted a resolution approving a certain Contract for Construction (“Contract”) between the City of Sandy Springs, GA (“City”) and Holder Construction Group, LLC (“Holder”) for constructing the project currently known as the City Springs project (“Project”); and

WHEREAS, pursuant to the Contract, Holder agreed that the cost to the City of performing the work under the Contract, including the cost of the work described therein, the general conditions costs, and Holder’s fee, shall not exceed the Guaranteed Maximum Price (“GMP”), as established by change order pursuant to the Contract (“GMP Change Order”); and

WHEREAS, on February 16, 2016, City Council approved a GMP of \$180,057,353.00 for the Project pursuant to a GMP Proposal and GMP Change Order prepared and presented in accordance with Contract provisions relating to the establishment of a GMP; and

WHEREAS, the Contract provides that an adjustment to the GMP may be made as authorized by written change order; and

WHEREAS, Holder has submitted for approval a change order (“Change Order #5”) with supporting documentation as required by the Contract, to increase the GMP value by \$8,898,937.00, bringing the total GMP to \$188,956,290.00; and

WHEREAS, the increase is due to transfers from City held budgets for equipment, design evolution/completion, differing site conditions, and scope changes; and

WHEREAS, Change Order #5 attached to this Resolution complies with the requirements of the Contract and, when executed, will effectively be added to the Contract; and

WHEREAS, staff and City consultants recommend that City Council approve an increase to the GMP of \$8,898,937.00, for a total GMP value of \$188,956,290.00, as described in the attached Change Order #5; and

WHEREAS, staff and City consultants further recommend that City Council authorize the City Manager to execute the attached Change Order #5; and

WHEREAS, City Council desires to approve the GMP and Change Order #5, as recommended by staff and City Consultants, and to authorize the City Manager to execute Change Order #5.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy Springs, Georgia, while in regular session on August 16, 2016, at 6:00 p.m., as follows:

RESOLUTION NO. 2016-_____

1. An increase to the GMP of \$8,898,937.00, for a total GMP value of \$188,956,290.00, is hereby approved; and
2. The attached Change Order #5 is hereby approved; and
3. The City Manager is hereby authorized to execute the attached Change Order #5; and
4. The City Manager and the City Attorney are hereby authorized to make such minor revisions to Change Order #5 as may be deemed reasonable, necessary, and in the best interest of the City prior to execution by the City Manager, and will promptly report any revisions to City Council; and
5. The City Manager and City Attorney are hereby authorized to take such actions deemed necessary or prudent to effectuate the intent of this resolution.

RESOLVED this the 16th day of August, 2016.

Approved:

Russell K. Paul, Mayor

Attest:

Michael D. Casey, City Clerk

(Seal)

ATTACHMENT
CHANGE ORDER

CHANGE ORDER

PROJECT NAME: CITY OF SANDY SPRINGS, GA, CITY SPRINGS PROJECT (Formerly referred to as CITY CENTER PROJECT)

OWNER: CITY OF SANDY SPRINGS, GA

CONSTRUCTION MANAGER: HOLDER CONSTRUCTION GROUP, LLC

DATE OF AGREEMENT: JUNE 30, 2015

DATE OF THIS CHANGE ORDER: AUGUST 16, 2016

CHANGE ORDER NUMBER: 5

The Agreement between Owner and Construction Manager (the "Agreement") is changed as follows:

Pursuant to Sections 5.3 and 7.2 of the Agreement and Section 11.1.3 of the General Conditions, the Owner hereby accepts the incorporation of the following updated contract documents and exhibits as a part of design development and other change conditions since the approval of the Guaranteed Maximum Price proposal dated 1/29/16. These updated documents are based on drawings by Rosser International, Inc. titled Bulletin #13 dated 6/3/16.

- 1.) Incorporation of Design Completion COR's through Bulletin #13 dated 6/3/16 as issued by Rosser International – CORs 002, 006, 007, 008, 009, 010, 011, 012, 014, 015, 016, 017, 018, 019, 020, 026 per Holder log dated 8/11/16. It is unknown at the present time, but Holder Construction may have a claim for an extension of time related to added, missing and/or incomplete scope within these documents referenced.
- 2.) Incorporation of Differing Site Condition/Scope Change CORs 001, 003, 021, 022, 023, 024, 028, 032, 033, 034, 037, 038, 039, 040, 042, 044 per Holder log dated 8/11/16.
- 3.) Incorporation of City Budget Shifts for Security, Theatre Audio-Visual, Theatre Equipment Lighting, and Office Audio-Visual per COR 030.
- 4.) Incorporation of the updated Holder Construction Salary Rate Sheet, as attached.

Unless otherwise defined herein, all capitalized terms used in this Change Order shall have the meanings ascribed to them in the Agreement. Except as expressly changed herein, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

The Contract Time is hereby [increased] [~~decreased~~] by the following number of calendar days: 0 days

The Construction Manager hereby waives and releases any claim it may have against the Owner for any adjustment in the Contract Time resulting from, or related to, the change reflected in this Change Order, except as agreed to above.

The Contract Sum / GMP is hereby [increased] [~~decreased~~] by \$8,898,937.00

The Construction Manager hereby waives and releases any claim it may have against the Owner for any adjustment in the Contract Sum / GMP arising out of, or related to, the changes reflected in this Change Order, including, but not limited to, any claim for damages due to delay, disruption, hindrance, impact, interference, inefficiencies or extra work arising out of, resulting from, or related to, the change reflected in this Change Order, except as agreed to above.

Original Contract Sum / GMP: \$12,631,702.00

Net Change by Previous Change Orders: \$167,425,651.00

Contract Sum / GMP before this Change Order: \$180,057,353.00

Increase in this Change Order: \$8,898,937.00

Contract Sum / GMP, as adjusted by this Change Order: \$188,956,290.00

[Increase] [~~Decrease~~] in Contract Time: 0 days

Upon execution of this Change Order by Owner and Construction Manager, the above-referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order. Any language in proposals or other documents attached hereto that conflict with the terms contained herein is null and void.

Owner

Construction Manager

By: _____

By: _____

Date: _____

Date: _____

SANDY SPRINGS CITY CENTER

Exhibit K

Rates for Associates to be billed to the project

STAFF / ROLE	Hourly Rate As of 7/01/16
Operations	
General Superintendent	149.22
Project Executive	280.00
Project Director	167.17
Senior Manager	148.20
Senior Superintendent	160.98
Senior Safety Coordinator	67.12
Project Manager #1	82.23
Superintendent #1	80.84
Senior Engineer #1	71.83
Project Engineer #1	51.11
Assistant Superintendent #1	75.67
Superintendent #2	104.22
Project Manager #2	90.95
Senior Engineer #2	68.76
Project Engineer #2	50.85
Project Engineer #3	50.85
Office Engineer	39.34
Office Engineer - Intern	24.96
Assistant Superintendent #2	74.96
Chief Field Engineer	116.31
Senior Field Engineer	101.64
Field Engineer	89.06
Assistant Field Engineer	68.11
Field Engineer Technician	64.96
Engineer Technician	55.53
Senior Field Office Administrator	45.98
Field Office Administrator	38.58
Field Office Processor	33.48
Administrative Assistant	30.82
Senior Field Coordinator	69.06
Field Coordinator	61.80
Support Services	
Performing Arts Specialist	280.00
Director - MEP	172.45
Senior Manager - MEP	158.63
Manager - MEP	126.26
MEP Coordinator	85.95
Manager - BIM	113.40
Senior Engineer - BIM	77.32
Engineer - BIM	75.66
Senior Manager - Sustainable Services	128.16
Manager - Sustainable Services	105.01
Corporate Safety Director	152.11
Accountant	67.37
Office Administrative	36.54

Note 1. These rates are fixed and not subject to an audit.

Note 2. Associates providing services that are not located on site will be reimbursable, they include but are not limited to Preconstruction, Operations and Support Services. Support Services includes Performing Arts Specialist, MEP, BIM, Sustainability, Risk Management, Safety, Accounting, Commission and Planning and Design Support.

Note 3. These rates will be used until July 1, 2016, then they will be adjusted each year thereafter on July 1st.

City Springs Project GMP Update

August 2016



Budget and Cost

- NO CHANGE TO OVERALL BUDGET
- Review of prior budget approvals and cost estimates
- Review of City Springs amended budget
- Review of contingency

Project Revenues

Funding Sources	Total Budget	Funded through 6/30/2016	Balance to Fund
Pay As You Go	\$27,500,000	\$26,870,884	\$629,116
Available City Center Funds	\$9,812,000	\$9,812,000	\$0
Carter Land Sale	\$9,000,000	\$0	\$9,000,000
Use of Fund Balance	\$5,000,000	\$0	\$5,000,000
Bond Issuance	\$171,400,000	\$171,400,000	\$0
	\$222,712,000	\$208,082,884	\$14,629,116

Project Expenditures

Cost Sources	Total Budget	Funded through 6/30/2016	Balance to Fund
Construction	\$180,057,353	\$35,274,350	\$144,783,003
Consulting	\$17,032,928	\$12,509,303	\$4,523,625
Furniture Fixtures & Eqpt	\$9,273,183	\$0	\$9,273,183
Special Costs	\$10,945,260	\$6,476,065	\$4,469,195
Owner Contingency	\$5,403,276	\$0	\$5,403,276
	\$222,712,000	\$54,259,718	\$168,452,282

Updates to Budget

• Construction (Holder Budget)		\$8,898,937
• Moved Theatre A/V and FF&E from City Budget	\$5,157,087	
• Moved Office A/V from City Budget	\$1,126,250	
• Moved Security from City Budget	\$1,416,097	
• Design Changes	\$1,199,503	
• Consultants		(\$7,120)
• Added on-site Architect to Rosser scope	\$188,880	
• Reduced PM services	(\$196,000)	
• FF&E		(\$8,948,183)
• Moved Theater, Office & Security to Construction		
• Contingency		\$56,366
• Savings of \$56,366		

Exposures / Wish List

Exposures	\$1,710,000
Wish List	\$526,352
Total Exposures/Opportunities/Wish List	\$2,236,352
Total Owner Contingency	\$5,459,642
Unencumbered Owner Contingency	\$3,223,290
Unencumbered Contractor Contingency	\$3,487,000
Other Funding Needs (prior to 12/17 opening)	
Site Furniture	\$500,000
Office FF&E	\$3,000,000
	\$3,500,000
Deferred	
Triangle Park	\$2,500,000
Pavilion	\$750,000
	\$3,250,000

Amended Project Expenditures

Cost Sources	Total Budget	Amended Budget	Budget Change
Construction	\$180,057,353	\$188,956,290	\$8,898,937 *
Consulting	\$17,032,928	\$17,025,808	(\$7,120)
Furniture Fixtures & Eqpt	\$9,273,183	\$325,000	(\$8,948,183) *
Special Costs	\$10,945,260	\$10,945,260	\$0
Owner Contingency	\$5,403,276	\$5,459,642	\$56,366
	\$222,712,000	\$222,712,000	\$0

* *Includes building systems scope moved from FF&E to construction*

Questions