

Mayor and Council Communication

DATE: 12/14/21

M&C FILE NUMBER: M&C 21-0997

LOG NAME: 80NORTH PARK IMPROVEMENTS CMAR AMENDMENT

SUBJECT

(CD 4) Authorize Execution of Amendment No. 1, in the amount of \$567,496.00, to the Construction Manager at Risk Agreement with Dean Electric, Inc., d/b/a/ Dean Construction, for North Park Improvements, Increasing the Construction Budget from \$3,900,000.00 to \$4,467,496.00, Establishing a Guaranteed Maximum Price for Construction in the Amount of \$4,467,696.00, inclusive of the CMAR's Construction Phase Fee, Revising the Total Project Budget Amount to \$5,231,158.00, Adopt the Attached Appropriation Ordinance, and Amend the Fiscal Years 2022-26 Capital Improvement Program and (2014 & 2018 Bond Program)

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize Execution of Amendment No. 1, in the amount of \$567,496.00, to City Secretary Contract No. 54396, the Construction Manager at Risk Agreement with Dean Electric, Inc., d/b/a/ Dean Construction, increasing the construction budget to \$4,467,496.00, and establishing the Guaranteed Maximum Price for construction in the amount of \$4,467,696.00, inclusive of the CMAR's Construction Phase Fee;
2. Adopt the attached appropriation ordinance adjusting appropriations in the 2014 Bond Program Fund by increasing appropriations in the North Park project (City Project No. 101766) in the amount of \$535,658.00 and decreasing appropriations in the U34014 Fund 34014 Approp Only project (City Project No. U34014) by the same amount; and
3. Amend the Fiscal Years 2022-2026 Capital Improvement Program.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to authorize the execution of Amendment No. 1 to City Secretary Contract No. 54396, a Construction Manager at Risk Agreement (CMAR) with Dean Electric, Inc., d/b/a Dean Construction, increasing the construction budget by \$567,496.00 from \$3,900,000.00 to \$4,467,496.00, establishing the Guaranteed Maximum Price (GMP), and appropriate additional funds available from residual 2014 Bond Program to increase the total project budget for North Park Improvements Project from \$4,695,500.00 to \$5,231,158.00, and to amend the Fiscal Years (FY) 2022-26 Capital Improvement Program.

On September 15, 2020, City Council authorized a CMAR agreement with Dean Construction (M&C 20-0674) to construct and install athletic field improvements at North Park, with the GMP to be determined within a construction budget of \$3,900,000.00. The total overall project budget of \$4,695,500.00 included the City's contingency, project administration, inspection, testing, utility connections, design and construction .

This M&C amends the CMAR Agreement to add additional scope and establishes the CMAR GMP at \$4,467,696.00, inclusive of the CMAR's Construction Phase fee, which has been reviewed and accepted by staff as fair and reasonable.

Funding for this amendment, in the amount of \$567,496.00, is the combination of the \$535,658.00 appropriation of residual 2014 Bond Program funds and the reallocation of existing project contingency, in the amount of \$31,838.00, from the original project budget of \$4,695,500.00

The additional funding will provide for the completion of the construction contract which includes the installation and construction of athletic field lighting, a basketball court, bleacher shade structures, stone masonry columns and walls, fine grading, and additional landscape and irrigation.

The 2014 Bond Program included funding for Athletic Field improvements, "Development of additional athletic fields and supporting infrastructure throughout the city in various public parks..." The 2014 Bond Funds are comprised of residual funds remaining from 42 previously completed projects. In adopting Recommendation 2, the City Council would be finding that the revised scope of the project - consisting of the changes described above - is within the voted purpose of the bonds. Funding for this project is itemized in the table below.

| Authority | Scope | Fund | Amount |
|----------------------|-------------------------|-------------------------------|-----------------------|
| M&C G-19305 | Community Park | General Capital Projects Fund | 100,000.00 |
| 2018 Bond Program | Community Park | 2018 Bond Fund | 2,000,000.00 |
| 2018 Bond Program | Athletic Field Lighting | 2018 Bond Fund | 600,000.00 |
| 2018 Bond Program | Universal Playground | 2018 Bond Fund | 750,000.00 |
| M&C G-19503 | Community Park | General Capital Projects Fund | 1,245,500.00 |
| This M&C | Athletic Fields | 2014 Bond Program Fund | 535,658.00 |
| Total Funding | | | \$5,231,158.00 |

| Authority | Scope | Fund | Amount |
|-----------|-------|------|--------|
|-----------|-------|------|--------|

Construction of the North Park improvements began in February 2021 and is scheduled to be completed by March 2022. The additional scope of work will increase in the contract time from 300 calendar days to 400 calendar days.

This amendment to the North Park CMAR agreement is estimated to increase the department's annual maintenance by \$4,000.00 beginning in May 2022. As of September 30, 2021, the cumulative total of all previously approved M&C's increased the department's estimated annual maintenance by \$456,391.00 beginning in May 2022.

Funding for this amendment was not originally included in the FY2022-2026 Capital Improvement Program. Due to increases in material prices brought upon by shortages, an increase in funding is now required. The action in this M&C will amend the FY2022-2026 Capital Improvement Program as approved in connection with Ordinance 25073-09-2021.

A portion of this project will include 2014 Bond Funds. Available resources within the General Fund will be used to provide interim financing for these expenses until debt is issued. Once debt associated with this project is sold, bond proceeds will reimburse General fund, in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election and the subsequent actions authorizing the approval of the issuance of public securities. (Ordinance No. 21241-05-2014).

This project is included in the 2018 Bond Program. Available resources within the General Fund will be used to provide interim financing until debt is issued. Once debt associated with the project is sold, bond proceeds will reimburse the General Fund in accordance with the statement expressing official Intent to Reimburse that was adopted as part of the ordinance canvassing the bond election (Ordinance No. 23209-05-2018) and subsequent actions taken by the Mayor and Council.

Dean Construction has agreed to maintain the initial MBE commitment of 14% included in the original agreement and extend and maintain that same MBE commitment of 14% to the additional costs. Therefore, Dean Construction remains in compliance with the City's BDE Ordinance and attests to its commitment by its signature on the Acceptance of Previous MBE Commitment form executed by an authorized representative of its company.

North Park is located in COUNCIL DISTRICT 4.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are currently available in the U34014 Fund 34014 Approp Only project within the 2014 Bond Program Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the 2014 Bond Program Fund for the North Park project to support the approval of the above recommendations and execution of the amendment. Prior to an expenditure being incurred, the Park & Recreation Department has the responsibility of verifying the availability of funds.

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Expedited