

**AGENDA**



**Recommendation for Council Action (CMD)**

Austin City Council

Item ID:

23523

Agenda Number

4.

Meeting Date:

May 9, 2013

Department:

Contract Management

**Subject**

Authorize funding for the New Central Library Project Construction Manager at Risk Contract with HENSEL PHELPS CONSTRUCTION in the amount of the contractual construction cost limitation of \$109,300,000 with a \$2,600,000 owner contingency for a total amount not to exceed \$111,900,000, and authorize negotiation and execution of a guaranteed maximum price for the construction of the New Central Library and related improvements, including 2<sup>nd</sup> Street bridge, utilities, roadway improvements, and the Seaholm Substation wall.

**Amount and Source of Funding**

Funding is available in the Fiscal Year 2012-2013 Capital Budget of various departments.

**Fiscal Note**

A fiscal note is attached.

**Purchasing Language:**

**Prior Council Action:**

October 18, 2012 – Council approval to negotiate and execute an amendment for additional Preconstruction Phase Services with Hensel Phelps. January 26, 2012 - Council approval to negotiate and execute an amendment for additional Preconstruction Phase services with Hensel Phelps Construction Co. July 29, 2010 - Council approval to negotiate and execute a CMAR contract with Hensel Phelps Construction Co. March 6, 2008 - Council authorization of Construction Manager at Risk as project delivery method.

**For More Information:**

Cynthia Jordan 974-7183; Lynda Williams 974-3066; Felecia Shaw, 974-6017.

**Boards and Commission Action:**

To be reviewed by the Water and Wastewater Commission on May 8, 2013.

**Related Items:**

**MBE / WBE:**

This contract was awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals for

Preconstruction Phase Services of the Construction Manager at Risk agreement of 7.69% MBE and 3.02% WBE. All future work packages for Construction Phase Services will contain MBE/WBE goals and compliance with the Ordinance will be required.

#### Additional Backup Information

Preconstruction Phase Services: The Construction Manager-at-Risk (CMAR) agreement with Hensel Phelps Construction Company for the New Central Library Project (Project) was executed November 23, 2010. Hensel Phelps has been collaborating with the City and design teams throughout the design development. Such services include constructability and scope reviews for optimal design; control of costs; preparation of budgets and schedules; construction trade outreach; and procurement of construction.

During design development, it was determined that additional elements needed to be added to the scope of the Project to manage certain risks and potential conflicts. One major concern is the necessity for providing consolidated management of environmental controls across property boundaries. There is a need to manage, reduce risk, and consolidate the construction activities with sensitivity and consideration being given to the current environmental footprint of the property as a former electrical substation. These scope elements all have overlapping limits of construction with the Project or with other elements. If consolidated management is not in place, any required environmental remediation in the overlapping project boundaries could create delay damage claims.

In addition, the 2nd Street roadway, utility, and bridge improvements need to be coordinated with the construction of the New Central Library in order to maintain the project schedule and provide access to the New Library upon substantial completion. The same site, coordination, and environmental concerns exist with the Seaholm Substation Screen Wall. The Wall should be completed at that same time as the New Central Library in order to provide a security barrier for the library's public users. Accordingly, funding for the New Central Library Project, in the not to exceed amount of \$111,900,000.00, includes funding for the 2nd Street Bridge, Utilities, Roadway, and the Seaholm Substation Screen Wall improvements, which are necessary for the Project to function.

The Construction Cost Limitation funding of \$109,300,000 requested by this RCA has been developed utilizing Hensel Phelps' Initial Guaranteed Maximum Price Proposal (IGMP) for the entire scope of work based on 60% completion of design documents. The City and its design teams have thoroughly evaluated the details of the IGMP including the clarifications and assumptions, proposed price breakdown, contingency, project schedule. The City and its design teams accepts the IGMP which establishes a fixed limit of construction costs.

This RCA also includes an additional a \$2,600,000 Owner contingency (2.4%) which will be used for any changes in scope once construction commences (e.g. change conditions, code interpretation, etc.).

Construction Phase: As required by the Construction Manager-at-Risk agreement and State statute, Hensel Phelps will obtain competitive bids/proposals for all construction work. The City will have extensive oversight and approval of the bids/proposals including Small and Minority Business Resources Department approval.

Soon after Council's approval of the Construction Cost Limitation authorization, Hensel Phelps will submit for review and approval the Guaranteed Maximum Price Proposal (GMP) for a limited scope of work which includes the soil retention and deep well dewatering systems for the library, 2nd Street utilities, and earthwork. Following successful negotiations of this GMP, the City will issue a work authorization amendment with construction expected to begin late spring 2013.

The City anticipates negotiating and executing the GMP for the remaining work (Library, 2nd Street Bridge, and Seaholm Substation Screen Wall) in late summer 2013 with construction to begin in late Fall 2013.

MBE/WBE Participation: Hensel Phelps is currently performing preconstruction phase services. The main focus of Hensel Phelps's MBE/WBE subconsultants is performing M/WBE outreach activities during the construction procurement portion of the preconstruction phase services.

The CMAR agreement, awarded in 2010, meets the goals established for the Preconstruction Phase of 5.52% African American; 1.78% Hispanic; 0.39% Native/Asian; and 3.02% WBE. Incorporating the 2nd Street Bridge and Roadway Extension (Shoal Creek to West Avenue), and the Seaholm Substation Screen Wall, the preconstruction services scope of work performed by Hensel Phelps and fee increased without impacting MBE/WBE subcontractor participation.

Separate MBE/WBE participation goals will be established for all construction work packages. Hensel Phelps will be required to meet the goals or perform good faith efforts as required by the MBE/WBE Procurement Program.