



Request for City Council Committee Action From the Department of City Coordinator

Date: December 19, 2005

To: Council Member Barbara Johnson, Chair
Ways & Means Budget Committee

Subject: **New Central Library Project – Amendment #3 to Construction Management Services Contract with Mortenson/Thor.**

Recommendation:

Approve amendment #3 to Contract Number 017612 with Mortenson/Thor increasing the contract amount by \$281,000 so that the contract totals \$6,521,088.

Previous Directives:

November 28, 2003 amendment #1 to Mortenson/Thor contract.

October 25, 2002 approval of bond sale for New Central Library parking garage

July 12, 2002 approval of two-level parking garage for New Central Library

August 24, 2001 authorization to execute a contract with Mortenson/Thor to provide construction management services for the New Central Library.

November 28, 2005 amendment #2 to Mortenson/Thor contract

Prepared/Submitted by: Richard A Johnson, Project Coordinator 612-334-1671

Approved by: John Moir, City Coordinator _____

Presenters in Committee: Richard Johnson, New Central Library Project

Financial Impact (Check those that apply)

- No financial impact - or – Action is within current department budget
If checked, go directly to Background/Supporting Information)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (use any categories that apply)

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code
- Other

Background/Supporting Information

By Contract dated as of August 30, 2001, the Library Board and City engaged the services of Mortenson/Thor (M/T) in connection with the New Central Library Project, for a total contract amount of \$4,699,510. Included in that amount is a not to exceed lump sum of \$337,097 for Field Office Overhead, an allowance of \$250,000 for additional services as directed by the Project, and an allowance of \$75,867 for reimbursable expenses, each as further defined in the Contract. At that time, the contemplated design included one level of parking. CM services relating to the planetarium were not included, except for a few pre-design services.

In 2003, your committee approved amendment #1 to the contract with Mortenson/Thor to include additional compensation for owner directed project additions of parking, structural upgrades to support a planetarium, on-site chiller plant, full-time safety engineer and additional on-site concrete quality control.

Over the course of the project, Mortenson/Thor has incurred reimbursable expenses beyond what was previously included in their contract. These expenses were for on-site security, printing of plans and specifications for bidding purposes, and temporary heat and electricity. These additional reimbursable expenses have been included in the overall project budget, but were paid for out of the construction manager's contract. Amendment #2 increased their contract by \$348,000 to partially cover these expenses.

In order to restore the full amount to their contract to pay for these expenses and to pay for their direct personnel expenses related to additional work relative to site improvements, green roof and materials handling system we need to increase their contract amount by \$281,000. Within the project budget, we will reallocate \$281,000 from site services to construction management services. No additional funding is required.

