



Request for City Council Committee Action From the Department of Public Works

Date: November 22, 2005
To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee
Referral: Honorable Barbara Johnson, Chair Ways & Means/Budget Committee
Subject: **Fridley Maintenance Facility – Increase Project Appropriation and Change Order No. 4 (Final) for James Steele Construction**

Recommendation:

- Increase appropriation of Fridley Maintenance Facility Project (7400/950/9535/WTR01) by \$197,000 utilizing existing Water Revenue Funds
- Decrease appropriation of Water Fund Operating Budget (7400/690/6990/6190) by \$197,000
- The proper City officials are authorized to execute Change Order No. 4 to Contract No. C-20506, with James Steele Construction in the amount of \$21,497 for a revised contract amount of \$4,735,684.

Previous Directives:

- The Project is included in the 5 year 2003 – 2007 Capital Budget
- Appropriation Increase of \$655,000 was approved on April 2, 2004
- Contract for \$4,428,400 with James Steele Company was awarded for general construction on April 2nd, 2004
- The City Council and Mayor have previously approved Change Order No. 1 in the amount of \$35,801, Change Order No. 2 in the amount of \$62,152, and Change Order No. 3 in the amount of \$187,834 to the contract in December of 2004, February of 2005 and August of 2005

Prepared by: Lisa Vokovan Otto, Project Manager, 673 - 2279

Approved by:

Klara A. Fabry, P.E., City Engineer, Director of Public Works

Presenters: Steven Kotke, Deputy Director of Public Works for Internal Services

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 (Offset by decrease to operating 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

Background/Supporting Information:

The City Council and Mayor approved funding for the construction of a new maintenance facility at the City's Fridley Water Treatment Campus in December 2002. On April 2nd, 2004, the City Council and Mayor awarded the bid for construction of the new Fridley Maintenance Facility to James Steele Construction in the amount of \$4,428,400.

The new Fridley Maintenance Facility will accommodate the current maintenance staff of PW Water as well as the supporting stores/warehouse function. The new facility is approximately 34,000 square feet and was completed and occupied in June of this year.

The original and revised construction budget included a construction contingency as well as an allocation for General Fund and departmental overhead reimbursements. PW staff erred in properly calculating the required overheads and this error was not identified until the project was substantially complete after Council approval of previous Change Order requests. The end result has left the project with inadequate funds to pay for the final change order and to cover the remaining balance of the internal, reimbursable overhead expenses. It is our recommendation to utilize available funding from the Water Fund's operating budget for Major Repair and Replacements.

Change Order No. 4 includes: modifications to minor architectural, structural, mechanical, and electrical equipment. The most significant change was the guest parking lot. General contractor's responsibility was to construct one half of the parking lot only; remainder was to be provided by owner. During the construction period it was decided to increase contractor's scope of work to include the entire parking lot. This was done to ensure a uniform appearance and level of construction quality.

Therefore, Public Works is requesting:

- Increase appropriation of Fridley Maintenance Facility Project (7400/950/9535/WTR01) by \$197,000 utilizing existing Water Revenue Funds.
- Decrease appropriation of Water Fund Operating Budget (7400/690/6990/6190)
- The proper City officials are authorized to execute Change Order No. 4 to Contract No. C-20506, with James Steele Construction in the amount of \$21,497 for a revised contract amount of \$4,735,684.

This action is being requested in order to completely close out the Fridley Maintenance Facility Project.

cc Sue Hartman, Finance Department