

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Jim Proce, ICMA-CM

DATE: July 15, 2024

SUBJECT: Approval of a Change Order to a Construction Manager at Risk Contract for the Tittle McFadden Public Safety Campus with Thos. S. Byrne, Fort Worth, Texas, Reducing the Contract Sum of the New Police & Fire Department Administration Facility & the New Central Fire Station by \$1,500,000; and Authorization for the City Manager, or Her Designee, to Execute the Change Order.

BACKGROUND

The City Council previously approved the City's direct purchase of two temporary structures to house the Central Fire Station when they moved out of their current location.

The City utilized a Construction Manager at Risk (CMAR) solicitation process in accordance with *Texas Government Code Chapter 2269, Subchapter "F"* to select Thomas S. Byrne (TSB). Their contract to provide Preconstruction Services for the Public Safety Campus project was approved by City Council on April 18, 2022.

Peak Program Value, LLC (PPV) was engaged earlier as the City's Project Controls lead, assisting the City staff with this solicitation; as well as the earlier selection of BRW Architects (BRW) for this project in 2021. Both firms have been involved in the steps described below.

TSB's preconstruction services included the solicitation of subcontractors' bids for multiple bid packages; vetting the subcontractors' scopes of work and evaluating the responsiveness of each of the bids received. PPV validated the process used for this evaluation; reviewed comparisons showing the deltas of bids received vs. the most recent CMAR's construction cost estimate for each bid package; and confirmed City was receiving best value at each category in each phase's Guaranteed Maximum Price (GMP) summary.

Five previous GMP Amendments for the CMAR (Thos. S. Byrne) have been approved by City Council. These were (respectively) for (1) the development of the temporary Central Fire Station site for placement of the City's operations; (2) the renovation of the City's leased space at 1955 Lakeway into temporary Police & Fire Department administration offices; (3) an early start of the preparation of the new site; (4) the new construction of the Parking Structure & Support Building and the full site development required for the Public Safety Campus facilities; and (5) the construction of the Police & Fire Department Administration Facility & the new Central Fire Station.

The cumulative GMP totaled \$103,305,604 and included a contingency of \$4,525,000 for the City's use during construction. This represents about 4.4% of the contract amount and is for protecting the project from unknowns such as unforeseeable subsurface issues, abnormal weather events, future supply chain impacts, and other unusual events.

ANALYSIS

The construction has advanced to the point that the buildings are no longer subject to unforeseen subsurface conditions and are only minimally exposed to weather delays and supply chain interruptions. Therefore, a reduction in the contingency funds inside the contract sum of \$1,500,000 is appropriate, reducing the contract amount to \$101,805,604.

While the total project expenses are approximately \$125,000,000, which include architectural and design expenses, as well as project management and oversight, this action is only addressing the contract with the construction contractor. Normally an item like this would not be brought before the Council, but Article 7.2.4 of the AIA Contract A133-2019, General Conditions, requires City Council approval for changes, either increases or decreases, of over \$50,000.01 to the GMP.

CITY'S STAFF RECOMMENDATION

That the City Council approve a change order and authorize the City Manager, or her designee, to execute the amendment as set forth in the caption above.