

## **CITY COUNCIL AGENDA ITEM**

### **CITY OF SHORELINE, WASHINGTON**

**AGENDA TITLE:** Authorize the City Manager to Execute Change Order No. 8 with Shreve Construction LLC in the Amount of \$22,308 for a Final Contract Amount of \$5,928,584

**DEPARTMENT:** Public Works

**PRESENTED BY:** Randy Witt, Public Work Director

**ACTION:** \_\_\_\_\_ Ordinance    \_\_\_\_\_ Resolution      X   Motion  
                  \_\_\_\_\_ Discussion    \_\_\_\_\_ Public Hearing

**PROBLEM/ISSUE STATEMENT:**

Construction of the Police Station at City Hall project is now complete and all cost are known. However, one final change order is proposed to address unforeseen conditions and minor scope changes identified toward the end of construction.

Change Order No. 8 to the Shreve Construction contract, in the amount of \$22,308, increases the total of all change orders to \$525,534 and exceeds the City Manager's authorization limit for this project. Thus, Council action for execution is required for this change order. Tonight, staff is seeking Council authorization for the City Manager to enter into the change order with Shreve Construction.

**RESOURCE/FINANCIAL IMPACT:**

The project budget is adequate to cover the cost of Change Order No. 8. The table below provides details on project expenditures and funding.

**Project Expenditures:**

Staff and other Direct Expenses	\$1,072,750
Land Use Expense	\$1,400,777
<u>Construction:</u>	
Shreve Construction Contract (Base Bid)	\$5,403,050
Change Order Number 1	\$95,247
Change Order Number 2	\$98,143
Change Order Number 3	\$90,054
Change Order Number 4	\$92,217
Change Order Number 5	\$0
Change Order Number 6	\$18,811
Change Order Number 7	\$108,754
<b>Change Order Number 8</b>	<b>\$22,308</b>
VECA Contract (Security Technology Package)	\$407,719
Change Order Number 1	\$10,623
Change Order Number 2	\$14,977

Change Order Number 3	\$0
Change Order Number 4	\$0
Change Order Number 5	\$5,630
Other Construction	\$65,770
1% for Art	\$30,598

Contingency	<u>\$0</u>
<b>Total Project Expenditures</b>	<b>\$8,937,428</b>

**Budgeted Project Revenue (2018 – 2023 proposed CIP):**

Sale of Current Police Station	\$2,100,000
Treasury Seizure Funds	\$2,981,520
General Fund Contribution	\$2,526,301
State and Federal Drug Forfeiture Fund	\$837,294
General Capital Fund	<u>\$492,313</u>
<b>Total Project Revenue</b>	<b>\$8,937,428</b>

**RECOMMENDATION**

Staff recommends that City Council authorize the City Manager to execute Change Order No. 8 with Shreve Construction LLC in the amount of \$22,308 for a final contract amount of \$5,928,584.

Approved By:        City Manager ***DT***    City Attorney ***JAT***

## **BACKGROUND**

On May 1, 2017, the City Council authorized the City Manager to execute a contract with Shreve Construction for construction of the Police Station at City Hall project. The project involved major tenant improvements to the first and third floors of City Hall and construction of a 5,800 square-foot single story addition to accommodate the Police Department's move to City Hall. The May 1, 2017 staff report is available at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport050117-8a.pdf>.

On October 23, 2017, the City Council authorized an extension of the City Manager's change order authorization limit for the Shreve Construction contract from \$50,000 to \$504,305. To date, seven change orders have been processed totaling \$503,225. The October 23, 2017 staff report is available at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2017/staffreport102317-7d.pdf>.

Construction on this project is now complete. The 3<sup>rd</sup> floor tenant improvements phase was approved for occupancy and the Planning and Community Development department moved into their new space October 2017. The 1<sup>st</sup> floor remodel and building addition phase was approved for occupancy and the Police Department opened for business at their new location in May 2018. Contract close out and commissioning of the buildings mechanical system is expected to be complete December 2018.

## **DISCUSSION**

In completing construction on this project, there is a need for one final change order that exceeds the City Manager's change order authority. Change Order No. 8 addresses three Construction Change Directives (CCD) and one Change Order Proposal (COP). The table below describes the changes included in Change Order No. 8:

<b>Document</b>	<b>Description</b>	<b>Amount</b>
CCD #27	Relocate HVAC duct vent CD-2 from office 310 to the corridor  <i>The ceiling diffuser in office 310 was moved to the hallway due to excessive noise from the ventilation system.</i>	\$1,351.90
CCD #31	600 Amp Service Panel Breaker  <i>This service panel breaker serves the new emergency generator. The size of the service panel breaker specified would not fit in the existing panel. The cost of CCD #31 is associated with providing a different breaker that would fit in the existing panel and meet service load requirements.</i>	\$7,761.60

CCD #41	Retaining wall at east side of Police building addition  <i>The project specified placing an extruded curb on the surface of the west side of the Police driveway entrance adjacent to the building addition. After the building addition was constructed it became apparent that the grade between the driveway and the building foundation was too steep to support large vehicles such as a garbage truck. This cost is associated with construction of a concrete retaining wall to support the driveway.</i>	\$10,000.00
COP #31	Hard interview room and holding cell door slide locks.  <i>The hard interview rooms and holding cell doors were specified with standard dead bolt locks. It is difficult to determine if the dead bolt is engaged by looking at the lock switch from the exterior. The Police Department requested installing more visible slide locks similar to what was used at the previous Police Station. This cost is associated with installing 4 slide locks.</i>	\$2,194.50
<b>Total</b>		<b>\$22,308.00</b>

These represent the last changes associated with the project and the work associated with this change order is complete. Shreve Construction LLC, is in agreement with this change order amount resulting in a final contract amount of \$5,928,584.

The alternative is to not authorize the execution of this change order. Since work is complete, not executing this change order would most likely result in Shreve Construction filing a claim for payment of this work. This alternative is not recommended.

### **RESOURCE/FINANCIAL IMPACT**

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