



CITY COUNCIL AGENDA ITEM

Date: August 3, 2016

To: Brian Kischnick, City Manager

From: Tom Darling, Director of Financial Services
David Roberts, Fire Chief

Subject: Guaranteed Maximum Price and 2016/17 Budget Amendment
Fire Station #4 - Project No. 16.917.3

History

The Fire Station #4 construction project is continuing to move forward. The preliminary site plan has been approved by the Planning Commission; the Troy Project Team has been working closely with Redstone Architects to decide on interior finishes and materials; Redstone has been working with the Construction Manager-At-Risk, The Dailey Company, to coordinate design and construction plans, as well as scope of work; plan submission has begun for review and permitting; and Dailey has submitted a Guaranteed Maximum Price (GMP) of \$3,607,250 while obtaining bid proposals from the required subcontractor trades. Attached are renderings and a floor plan for the new station.

Purchasing

By Council Resolution #2016-04-063 a contract was awarded to The Dailey Company to perform the Construction Manager at Risk Services (CMR) for a total not to exceed cost of \$540,990. This cost did not include construction. That cost would be determined by Dailey during the design phase while working closely with Redstone and city staff.

As the plans and specifications neared 100% complete and before receiving bids from their contractors, The Dailey Co. updated their construction costs for a final time and submitted a price of \$3,066,260, including a 5% contingency of \$171,767. The Guaranteed Maximum Price (GMP) consists of the CMR services at \$540,990 plus the construction price and contingency of \$3,066,260 for a total GMP of \$3,607,250.

Financial

Fire Station #4 was originally estimated at approximately \$3.7 million and has been budgeted over three (3) years: 2014/15, 2015/16 and 2016/17. It is to be funded by transfers to the Capital Projects Fund from the General Fund. It should be noted that the original budget did not include the land cost for the new site.

Total costs incurred in the 2014/15 fiscal year was \$181,702 for land acquisition. The 2015/16 budget was approximately \$3.6 million. During preparation of the 2016/17 budget it was estimated that building expenditures would be approximately \$500,000 and accordingly, the 2016/17 budget was adopted for



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approximately \$3.1 million. Currently 2015/16 actual expenditures indicate an amount of only \$157,435 thus requiring a budget amendment to roll unspent proceeds of approximately \$342,600.

In addition to the budget roll forward of unspent proceeds of \$342,600, the total building construction, including architect fees is estimated at \$3,832,542 or \$132,542 over the original estimate of \$3.7 million, which will require an additional budget amendment.

As noted in the first paragraph, the \$3.7 million originally estimated did not include land costs. Total land costs including the movement of utilities (\$142 thousand) is currently estimated at \$431 thousand.

The total cost of Fire Station #4 including the cost of land is \$4,263,859. The net remaining cost estimated for the 2016/17 is \$3,924,722 (\$4,263,859 less \$339,137 incurred in 2014/15 through 201/16). The current 2016/17 budget is \$3,075,000 indicating a budget shortfall of \$849,722 and comprised of the following elements:

Roll forward of unspent proceeds in 2015/16	\$342,600
Change in building cost from original \$3.7 million	132,542
Purchase of land not included in \$3.7 million	431,317
Less rounding and other adjustments over years	<u>(56,737)</u>
Total 2016/17 Budget Amendment	<u>\$849,722</u>

As noted in the first paragraph, the funding for Fire Station #4 was to originally be funded by transfers from the General Fund to the Capital Projects Fund. Transfers to date include:

2014/15	\$1,850,000
2015/16	625,000
Current 2016/17 budget	<u>1,225,000</u>
Total to date	<u>\$3,700,000</u>

Accordingly, a budget amendment to transfer funding from the General Fund to the Capital Projects to cover the total cost of the project, including land would be required in the amount of 563,859 (Total project costs of \$4,263,859 less \$3,700,000 of prior and current budgeted transfers).

Recommendation

City management recommends approval of the \$3,607,250 Guaranteed Maximum Price submitted by the Dailey Company.

Furthermore, city management recommends a budget amendment to the Capital Projects Fund for Fire Station #4 in the amount of \$849,730 (rounded for budgetary purposes) and to amend the transfer from the General Fund to the Capital Projects Fund of \$563,860 (rounded for budgetary purposes).

Fire Station #4 Budget Summary & Amendment

<u>City/Land/Other Fees</u>		
Land Acquisition and Demo	\$ 199,132	
Permits	\$ 18,249	
Utilities	\$ 142,418	
Other (Soil Boring, Traffic Signal, FF&E)	\$ 59,518	
Total Owner Fees		\$ 419,317
Owner Contingency (10% estimated expenses)		\$ <u>12,000</u>
Total City/Land/Other Fees		\$ 431,317
<u>Redstone Architects</u>		
Architectural Services (PO)	\$ 201,042	
Add-on Renderings	\$ 4,250	
A&E Contingency (10%)	\$ <u>20,000</u>	
Total A & E Fees - Redstone		\$ 225,292
<u>Dailey Construction Mgmt</u>		
Preconstruction Services	\$ 28,540	
Construction Services	\$ 313,200	
General Conditions	\$ 119,250	
Fixed CMR not to exceed fee	\$ <u>80,000</u>	
Subtotal Dailey Fees		\$ 540,990
Construction Expenses (Dailey 7.22.16)		\$ 2,894,493
Construction Contingency (5%)		\$ <u>171,767</u>
Total GMP		\$ 3,607,250
Total Project Estimated Costs		\$ 4,263,859
2015 & 2016 Actual Costs		\$ 339,137
2017 Budget		\$ 3,075,000
2017 Budget Adjustments		\$ 849,722



July 28, 2016

Mr. David Roberts, Fire Chief
Troy Fire Department
500 West Big Beaver Road
Troy, MI 48084

RE: Troy Fire Station #4
Guaranteed Maximum Price

Dear Chief Roberts:

We have worked very closely with your team and Redstone Architects during the past several months to quantify and price the desired design for the new Fire Station #4 project. As a result of these efforts, and in accordance with our executed Contract dated April 11, 2016, I am pleased to present our formal Guaranteed Maximum Price (GMP) proposal for your final review and approval.

We are confident that this GMP accurately represents what has been designed and discussed to date and we believe it represents an attractive first-class facility for the Fire Department and the City of Troy.

Our attached GMP Contract Amendment includes a complete cost summary along with our previously discussed assumptions and clarifications. It also includes a complete list of drawings and specifications from which the GMP is based upon.

We are very excited about this project and look forward to our anticipated September 1st field start. If you have any questions or require any additional information, please contact me directly.

Sincerely,
THE DAILEY COMPANY

Stephen R. Dailey
President



Document A133™ – 2009 Exhibit A

Guaranteed Maximum Price Amendment

for the following PROJECT:

(Name and address or location)

Troy Fire Station #4
2117 East Maple Road
Troy, MI 48084

THE OWNER:

(Name, legal status and address)

The City of Troy
500 West Big Beaver Road
Troy, MI 48084

THE CONSTRUCTION MANAGER:

(Name, legal status and address)

The Dailey Company
179 Northpointe Drive
Lake Orion, MI 48359

ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added necessary information and where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2007, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

ARTICLE A.1

§ A.1.1 Guaranteed Maximum Price

Pursuant to Section 2.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as that term is defined in Article 6 of this Agreement.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed Three Million Six Hundred Seven Thousand Two Hundred and Fifty Dollars and no cents. (\$ 3,607,250.00), subject to additions and deductions by Change Order as provided in the Contract Documents.

§ A.1.1.2 Itemized Statement of the Guaranteed Maximum Price. Provided below is an itemized statement of the Guaranteed Maximum Price organized by trade categories, allowances, contingencies, alternates, the Construction Manager's Fee, and other items that comprise the Guaranteed Maximum Price.

(Provide below or reference an attachment.)

See Exhibit A.1 - GMP Cost Summary

§ A.1.1.3 Assumptions, if any, on which the Guaranteed Maximum Price is based:

See Exhibit A.2 – GMP Assumptions & Clarifications

§ A.1.1.4 The Guaranteed Maximum Price is based upon the following Specifications:

Int.

(Either list the Specifications here, or refer to an exhibit attached to this Agreement.)
See Exhibit A.3 – Project Specifications

Section	Title	Date	Pages
See Exhibit A.3			

§ A.1.1.5 The Guaranteed Maximum Price is based upon the following Drawings:
(Either list the Drawings here, or refer to an exhibit attached to this Agreement.)
See Exhibit A.4 – List of GMP Drawings

Number	Title	Date
See Exhibit A.4		

(Paragraphs deleted)
(Table deleted)
(Paragraphs deleted)
(Table deleted)
(Paragraphs deleted)
(Table deleted)
(Paragraph deleted)

ARTICLE A.2

§ A.2.1 The anticipated date of Substantial Completion established by this Amendment:

July 21, 2017 - Phase I Occupancy
Sept 27, 2017 - Phase II Final Completion

OWNER (Signature)

CONSTRUCTION MANAGER (Signature)

David Roberts, Fire Chief
(Printed name and title)

Stephen R. Dailey, President
(Printed name and title)

TROY FIRE STATION #4 - GMP COST SUMMARY		
Bid Pack	DESCRIPTION OF WORK	TOTAL COST
A	Testing and Special Inspections	\$14,000.00
B	Layout and Field Engineering	\$9,000.00
C	Temporary Fencing and Barricades	\$22,320.00
D	Building Demolition	\$27,015.00
E	Earthwork & Utilities	\$258,915.00
F	Asphalt Paving, Base and Curb	\$82,325.00
G	Landscape, Topsoil, Bench & Bike Rack	\$43,265.00
H	Foundations	\$72,700.00
I	Slab on Grade	\$223,504.00
J	Masonry	\$499,490.00
K	Structural Steel, Joist, Deck & Misc Iron	\$213,588.00
L	Millwork	\$22,400.00
M	Joint Sealants	\$12,595.00
N	Metal Roofing, Soffit & Trim	\$165,000.00
O	Single Ply Roofing	\$58,383.00
P	Hollow Metal Doors & Hardware	\$22,450.00
Q	Overhead and Bi-Folding Doors	\$134,001.00
R	Glass, Glazing & Sunshades	\$146,520.00
S	Drywall, Acoustic & Carpentry	\$89,844.00
T	Hard Tile	\$2,640.00
U	Carpet, Resilient & Athletic Flooring	\$15,050.00
V	Polished Concrete	\$42,250.00
W	Painting	\$23,968.00
X	Toilet Accessories & Urinal Screens	\$3,300.00
Y	Signage & Address Numbers	\$5,000.00
Z	Fire Protection	\$27,475.00
AA	Plumbing	\$175,885.00
BB	HVAC	\$125,500.00
CC	Electrical, Fire Alarm & Gen Set	\$301,610.00
DD	Flag Pole	\$3,500.00
TBD	Winter Conditions / Temp Enclosures	\$27,000.00
TBD	Undercuts / Poor Soils	\$24,000.00
SUBTOTAL:		\$2,894,493.00
	Preconstruction Services	\$28,540.00
	Construction Services	\$313,200.00
	General Conditions	\$119,250.00
	CM Fee <i>Fixed for Initial \$3,350,000</i>	\$80,000.00
SUBTOTAL:		\$3,435,483.00
	Construction Contingency	\$171,767.00
TOTAL GUARANTEED MAXIMUM PRICE (GMP):		\$3,607,250.00

TROY FIRE STATION #4
GMP ASSUMPTIONS & CLARIFICATIONS

1. The GMP is based solely on drawings, specifications and information received from Redstone Architects as referenced in Exhibits A.3 and A.4 and as clarified herein.
2. The Construction Contingency line item (and any savings resulting from subcontractor bidding) is for the contractor's exclusive use to complete the project as originally intended within the Guaranteed Maximum Price (GMP).
3. Any cost savings from the purchasing of individual GMP line items will accrue to the Construction Contingency. Upon completion of the project all unused contingency funds will revert back to the owner in full.
4. Construction Contingency shall not be used to fund changes in the GMP scope of work. Any change to the GMP scope of work shall be funded via Change Order to the contract.
5. Other than Coplay radiant heaters and Simplex Grinnell fire alarm all specifically named products are to be considered Basis of Design. Equivalents to the specifically named products are to be considered as long as they are acceptable aesthetically.
6. CAD backgrounds from architect and all engineers shall be provided to us at no charge. CAD as-built drawings are limited to civil work only. Other as-builts will be provided in a pdf format.
7. Hazardous Material and Asbestos Handling costs are strictly limited to that identified in TEC Reports 56253-01 dated 12-8-15 and 56253-02 dated 12-8-2013 (sic).
8. Bottom chord of structural bowstring trusses may be raised to an elevation that allows the trusses to be shipped in a single horizontal section.
9. Architecturally Exposed Structural Steel is limited to the Patio roof framing.
10. Buy American Steel requirements are limited to underground utilities (issued by HRC with civil specifications).
11. Air barrier in the masonry cavity wall is included.
12. Paint for all pre-finished items will be manufacturer's standard, non-premium color line.
13. Standing seam metal, fascia, soffits and copings to be fabricated from Kynar finished (20 year warranty) galvanized coated steel sheets, not aluminum.
14. Fire alarm is limited to monitoring the fire protection and duct detectors of the roof tops units. An addressable system with pull station and horns / strobes thru-out is not included.
15. Relocation of Owner Equipment is limited to Unimac extractor, air compressor and bottle fills station (with added unistrut) is included.
16. Installation of the Owner Furnished products are limited to Stove, Dishwasher, Marker Board, Lockers and Locker Bench.

**TROY FIRE STATION #4
GMP ASSUMPTIONS & CLARIFICATIONS****EXCLUSIONS FROM THE GMP**

1. The Owner is directly responsible for the following items outside the contractor's GMP:
 - a. All A/E (and their consultants) design fees & reimbursables.
 - b. Soil borings.
 - c. Land acquisition costs and demolition of existing residence.
 - d. Builders Risk and property insurance.
 - e. All permits (other than trade permits), plan review fees, assessments and tap fees.
 - f. All utility relocations including DTE, Comcast, ATT, WOW, and fiber.
 - g. Temporary utility costs during construction.
 - h. Removal or relocation of traffic signal (if necessary).
 - i. Design contingency.

2. The Owner is directly responsible to furnish and install its own FF&E items, including but not limited to the following items:
 - a. Acoustical wall panels or banners
 - b. Visual display or tackable wall boards/surfaces (furnish only – contractor installed)
 - c. Fire extinguishers
 - d. Projection screen
 - e. Washer and dryer
 - f. Lockers and benches (furnish only – contractor installed)
 - g. Appliances, vending, coffee machine and soda dispensers
 - h. Window treatments
 - i. Furniture & furnishings
 - j. Hose racks, washers, lifts, PPE storage and other Fire Department equipment
 - k. Low voltage cabling and devices
 - l. Door access and security
 - m. Audio visual and television equipment
 - n. Phone, data, radio & communications equipment

3. Color Audio Visual Route Survey.

4. Ansul Fire Protection system.



Troy, MI Fire Station No. 4



