



Item No. 17 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER

THROUGH: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

FROM: MARTY HANNEMAN, INTERWEST CONSULTING GROUP
PROJECT MANAGER

DATE: OCTOBER 16, 2019

SUBJECT: CIVIC CENTER PROJECT UPDATE: AUTHORIZE THE CITY ATTORNEY TO PREPARE AND THE CITY MANAGER TO EXECUTE AN AGREEMENT AMENDMENT WITH MACK5 FOR REVISIONS IN SCOPE OF WORK AND BUDGET; AND AUTHORIZE THE CITY MANAGER TO EXECUTE A TASK ORDER AMENDMENT #4 WITH INTERWEST FOR INCREASED SCOPE OF SERVICES AND BUDGET

RECOMMENDATION

1. Authorize the City Attorney to prepare and the City Manager to execute an Agreement Amendment with Mack5 for reductions in scope of services for Construction Management services for a budget reduction of \$300,368;
2. Authorize the City Manager to execute Task Order Amendment No. 4 with Interwest for an increased in scope of services for additional Project/Construction and Field Observations Management services required during construction for a fee of \$285,000.

BACKGROUND/ANALYSIS

Below is a brief summary of major items and work-in-progress over the next three (3) weeks.

Work Areas for the Week of October 14

- Install water supply to City Hall and Library Buildings
- Install underground electrical to City Hall and Ancillary Building
- Install rebar & PT Cables at grade beams for Library Building
- Install under slab electrical and plumbing for Library Building
- FRP stem walls and curbs at Library Building
- Excavate grade beams and set rebar templates at Ancillary Building

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Work Areas for the Week of October 21

- Continue installation of water supply to City Hall and Library Buildings
- Continue installation of electrical to City Hall and Ancillary Buildings
- Install grade beams and rebar for City Hall/Police Building
- Install sleeves/block-outs for City Hall/Police Building
- Set AB templates/bolts for City Hall/Police Building
- FRP stem walls and curbs at Library Building
- Install rebar for Ancillary Building

Work Areas for the Week of October 28

- Continue installation of water supply to City Hall and Library Buildings
- Continue installation of electrical to City Hall and Ancillary Buildings
- Install grade beams rebar for City Hall
- Finish rebar & PT Cables at grade beams for Library Building
- Continue under slab electrical and plumbing for Library Building
- Excavate grade beams/et rebar templates for Ancillary Building
- Install rebar for Ancillary Building

Overall Project Activity

Recent work has focused on finishing the drilling and installing the piers for the Library and Admin/PD building, setting forms for the grade beams for the Library, and continued work on the underground utilities.

Live [webcams](#) for Library site work and the City Hall/PD site work are active on the Town's website. There is also a project progress [photo gallery](#).

City Hall/Police Building

S.J. Amoroso has completed the drilling for the building piers. There are 105 drilled piers for the Admin/PD building and will now begin excavation of the elevator pit and layout and excavation of the grade beams for the building.

Adjacent to the main City Hall and Police Building is the new Secure Police Parking Lot. Within that lot (between the new building and the Caltrain tracks) is the Police Ancillary Building. After finalizing the main building pad, S.J. Amoroso will finalize the pad and layout for the Ancillary Building.

Historic Town Hall

Demolition of the interior of the historic Town Hall building is nearing completion. One issue that is still pending resolution is regarding the existing wooden floor planks whether they can be reused with replacing the broken ones or completely removed. A structural engineer from Mar Structural Engineering will provide an opinion on this. This building will ultimately become a part of the new Library connected via a deck and patio doors that spill out from the side of the building onto

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the new deck. The front doors of the entry way area are being saved and refinished for reinstallation at the end of the remodel.

Work on the Town Hall building will be sealed up for the winter season as work continues elsewhere on the project site. Once the interior work begins, work will resume on the historic Town Hall building in the spring of 2020.

New Library

The drilling and installing of the piers for the new building is complete. There are 64 piers, with varying depths for this building. SJ Amoroso will now begin the layout and excavation of the grade beams and installation of the rebar. At this point, the layout of the new building is taking shape.

Site Work

Overall site work has focused on utilities. The new ten-inch sewer line work has been completed by S.J. Amoroso's, subcontractor – JDB & Sons. CalWater had their contractor West Valley construction complete most of the eight-inch main line installation from Fair Oaks Land to Maple Ave. However, there have been some issues with connecting the new main line to the existing Ashfield line and Maple line due to conflicts with the SFPUC – 36-inch water line. Engineers from SFPUC, Cal Water and Sherwood will be meeting to resolve this.

Mack 5 Revised Agreement

As the Council is aware, the Town has Mack5 under contract to provide Construction Manager services for the project. Mack5's initial team provided valuable assistance and expertise during the design phase of the project. As we began construction, the expectation was that Mack5 staff would serve as the Construction Manager for the project working on site in tandem with the contractor. Mack5 also would be providing construction observation services. As engineers and architects, their expertise in the field provides valuable backup to Interwest as the Project Manager.

However, Interwest is providing more onsite Construction Management and observation services than Mack5, due to the lack of their available personnel. Mack5 are not as necessary at this phase of the project. Their expertise is far more valuable as the project begins to go vertical. At this time, Interwest needs additional assistance with Construction Management and field observations than Mack5, which if available would be providing it at a much higher fee and expertise than is needed.

To address this, we will be amending the Mack5 scope and budget (Attachment 1) to reduce services and shifting some of that savings over to Interwest for the more appropriate level of construction field observation needs. Interwest will assign additional personnel to work at the site and assist with field observation and construction management.

Mack5's primary staff will remain as Construction Manager, but their field observation staff are not as necessary at this stage of the project and will return once the project moves vertical.

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City Council action is necessary to authorize the City Attorney to prepare and the City Manager to execute an amendment to the consulting services agreement with Mack5 to reduce their scope of services and budget by \$300,368.

Interwest Task Order Amendment No. 4

As noted above, Interwest has been providing more onsite Construction Management and Field Observation Services than Mack5, due to the lack of their available personnel. Mack5 are not as necessary at this phase of the project. Their expertise is far more valuable as the project begins to go vertical. Currently, Interwest has the needed additional personnel with Project/Construction Management and Field Observations experience than Mack5.

City Council action is necessary to authorize the City Manager to execute Task Order Amendment No. 4 with Interwest for increased scope of services for additional Project/Construction and Field Observations Management services required during construction for a fee of \$285,000.

POLICY ISSUES

There are no significant policy issues associated with this report.

FISCAL IMPACT

There is no fiscal impact associated with this staff report.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials. The Town maintains an active and up to date Project Website at <http://ca-atherton.civicplus.com/index.aspx?NID=290>.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ____ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- PMC & Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)

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_____ Rail Committee (meets every other month)

_____ Transportation Committee (meets every other month)

ATTACHMENT

Attachment 1: Mack 5 Revised Agreement dated: 10-2-19

Attachment 2: Interwest Task Order Amendment No.4

Attachment 3: Summary of Town Center Payment Requests and Change Orders

mack⁵ Services:

October 2, 2019

Owner's Representative

Mr. Marty Hanneman, Project Manager

Project Management

Town of Atherton
91 Ashfield Road
Atherton, CA 94027

Construction
Management

Re: Revision to Professional Agreement – Atherton Civic Center – October 1, 2019

Cost Management

Dear Mr. Hanneman:

Cost Planning

It is our understanding that the Town wishes to directly manage the project's daily construction observations/site presence and certain other scope that are part of our Professional Agreement for project management services.

phone 510.595.3020
fax 510.595.1755
email info@mack5.com

To facilitate this revision to our scope, Exhibit A - Scope of Work of our Professional Agreement will be amended as follows per your direction, effective October 1, 2019:

D. Construction Phase

Replace section D. in its entirety with the Scope of Work noted on page 2 of this letter.

E. Post Construction Phase

Delete section E.

F. Occupancy Phase.

Delete section F.

mack⁵

Headquarters
1900 Powell Street
Suite 470
Emeryville, CA 94608

Richmond Office
322 Harbour Way
Suite 16
Richmond, CA 94801

You have requested an allowance of eighty (80) hours per month by our Senior Project Manager (Paul Beamer) for the revised Construction Phase Scope of Work noted on the following page. mack⁵ will bill actual hours expended under this allowance, at the current rate of \$180 for 2019, \$187 for 2020 and \$195 for 2021. Based on this, the corresponding deduction from our Compensation (for our base project management Scope of Work) will be as follows:



Base PM Compensation:	\$ 886,573
Approved Additional PM Services:	<u>516,768</u>
Total Contracted Base PM Services:	1,403,341
Less PM Services Billed to 9/30/19:	<u>(786,653)</u>
Remaining Base PM Compensation	616,688
Oct'19 - Jun'21 Hours Allowance (21 months):	(316,320)
Base PM Compensation Deduction:	\$ 300,368

If you should have any questions or want to discuss this revision, please let me know.

Sincerely,

Manil Bajracharya
Principal

October 2, 2019
Mr. Marty Hanneman

Exhibit A

Replacement Scope of Work

D. Construction Phase

1. Attend weekly construction meetings, review meeting agenda, minutes prepared by the contractor
2. Review contractor's 3-week look ahead schedules
3. Review, analyze contractor's master schedule, assist Town Project Manager with resolving schedule related issues
4. Monitor contractor's procurement of long-lead items
5. Conduct weekly site visit (coinciding with weekly construction meetings) to observe work progress
6. Assist Town Project Manager in resolving construction-related issues, including utilities
7. Monitor RFI and submittal process and project documentation in the contractor's project box and architect's document processing system
8. Review RFIs, submittals, product data/sample etc to assist design team; notify design team and contractor of material differences with the contract documents
9. Review contractor's monthly pay applications and supporting materials and recommend payment to Town Project Manager
10. Assist with issuing Owner Change Directives to the architect and contractor
11. Review and negotiate change order requests submitted by the contractor, including schedule extension requests
12. Assist Town Project Manager with tracking construction budget; update project budget if requested
13. Manage subconsultants under mack⁵ contract; review their reports and resolve issues as needed
14. Assist the Town Project Manager with coordinating scheduling of FF&E, IT and other owner-provided work into contractor's construction schedule
15. Review contractor's building systems start-up process; assist as needed
16. At contractor's request, conduct punch list walk with Town Project Manager, architect and contractor
17. Assist Town Project Manager in issuing Substantial Completion letter
18. Review punch list produced by contractor
19. Oversee timely completion of all punch list items to Town Project Manager's satisfaction

Town of Atherton Task Order – Amendment No.4

CIVIC CENTER CONSTRUCTION PHASE

PROJECT MANAGEMENT AND CONSTRUCTION MANAGEMENT

AND FIELD OBSERVATION SERVICES

Interwest Consulting Group (Interwest) continues to provide Project Management (PM) services for the Atherton Civic Center project.

- Design Development
 - Project Management Task Order No. 1, as amended, was for \$130,000 for the Design Development (DD) Phase of the project through the end of February 2017.
- Construction Documents and Bid Phase
 - Task Order No. 1 was again amended to move through the Construction Documents (CD) and Bid Phase of the project from February 2017 to December 2017.
 - There were many unforeseen meetings and changes required to address impacts to heritage trees, utilities, and other design changes, the construction documents and bidding phase were delayed by approximately six months. To accommodate the work during this period to bid award, Task Order No. 1 was again amended bringing the total Project Management Services to \$350,000.

On June 5, 2018, the Town received two bids that came in much higher than expected, and City Council rejected both bids and directed staff to rework the project with the project management committee (PMC) and design team to reduce the overall costs per square foot through value engineering (VE) and return to City Council by end of calendar year 2018 with a revised bid doc package for Council consideration to release for bid in January 2019.

- Bid Phase, Value Engineering, Rebid of Project
 - In October 2018 the Council approved Task Order No. 2 to continue project management services through the new bid award in March 2019 for a fee of \$76,800 for a total of \$426,800.
- Project Award and Project Management through Construction
 - In March 2019, the City Council approved Interwest Task Order No.3 to provide continued project management services through construction, which based on the current Mack5 schedule is June 2021, for a fee of \$416,300.
- Additional Project Support through Construction
 - As construction moves forward, Interwest is proposing to augment Project Management services with additional field observation and construction management services to assist Project Manager Hanneman on the project site through completion of the Project. Task Order No. 4 proposes a fee of \$285,000 from October 2019 through Project Completion.

Interwest will continue to perform the following project management and additional field observation and construction management tasks through the construction phase:

- Attend weekly Owner, Architect, Contractor (OAC) meetings.
- Provide construction management (CM) and field observation services.
- Provide regular field observations and bring and document any issues.
- Monitor contractor work for quality control and adherence to contract documents
- Assist in resolving contractor field disputes.
- Coordinate all the work (Lease with Mobile Modular Inc., required utility connections, space planning, moving, phones/Internet, etc.) to provide temporary buildings for Admin/Finance and Permit Center staff at Holbrook-Palmer Park during construction of the Civic Center project.
- Review Project schedules submitted by Contractor coordinate with Mack5 for completeness.
- Review potential Cost Proposal Estimates, (CPE's) and contract change orders (CCO's) and value engineering proposals submitted by Contractor.
- Prepare staff reports for change orders requiring City Council approvals.
- Continue monthly staff report updates to City Council.
- Work with Town staff, Contractor and Mack5 to develop and implement ongoing community outreach and communication strategy.
- Coordinate testing and inspection by MACK5. Verify MACK5 is coordinating permit inspections and overseeing corrections as necessary. Coordinate requests for information between the Contractor, MACK5, and WRNS; and assist in resolving disputes.
- Review and track invoices from construction inspections, WRNS, Murray Geotech Engineers, Mack5 and Contractor, and submit for approval.
- Recommend changes to scopes of work with WRNS Studio, Murray Geotech Engineers and Mack5 due to project scope changes approved by City Council.
- Prepare updates to Town Website for the Civic Center Project, as needed
- Manage work performed by WRNS Studio, Murray Geotech Engineers and Mack5 in accordance with their approved agreements and amendments
- Review potential claims and coordinate response with City Manager/City Attorney.
- Hold weekly Project meetings with design team members only to review schedule, upcoming work, inspection needs, potential change orders, and invoices.
- Prepare justification for required Project budget amendments and/or schedule and submit to City Manager or City Council for approval.
- Prepare a monthly progress report summarizing completed activities; upcoming activities; pending issues or concerns which may impact Project scope, budget, or schedule; and a summary of expenditures as compared to budget.
- Prepare staff report for Project acceptance, and prepare the notice of completion for recordation.
- Review any stop work notices submitted by subcontractors or suppliers and provide recommendation to City Manager.
- Obtain warranty, guarantees, and as-built drawings from Contractor.
- Project closeout activities including a summary of schedule, cost, and claims.
- Other tasks as needed

Staffing will be provided by Marty Hanneman, P.E., Project Manager and other additional Interwest personnel as needed for construction management and field observations.

Proposed Fee

Interwest proposes to continue performing Project Management services and augment these services with Field Observation and Construction Management through the construction phase, which based on the Mack5 project schedule is expected to be in June 2021. Our Task Order No. 4 fee is for \$285,000 (October 2019 thru June 2021 - 21 months) for a total to date fee of \$1,127,800.

Approved:

George Rodericks
City Manager

Date

