



MEMORANDUM

To: Mayor and City Council

From: Mike Land, City Manager

Date: June 12, 2018

Reference: Coppell Arts Center – Consider approval of a Guaranteed Maximum Price Amendment to the Agreement between the City of Coppell (Owner) and Core Construction Services of Texas, Inc. (Construction Manager) for the construction of the City of Coppell Arts Center, in the amount of \$16,253,089.00 including Alternative 1 and authorizing the City Manager to Sign.

2030: Sense of Community. Goal #4: Effective Community Partnerships. Community Wellness and Enrichment. Goal #1 and Goal #3: Community Gathering Places and Expand Cultural Arts Amenities and Opportunities. Community Wellness and Enrichment Strategy. Sustainable City Government. Goal #1: Excellent City Services with High Level of Customer Satisfaction, Goal #3: Excellent and Well Maintained Infrastructure and Facilities.

Introduction:

This action item is to approve the Guaranteed Maximum Price (GMP) Amendment to the Agreement between the City of Coppell and Core for the construction of the City of Coppell Arts Center and authorizing the City Manager to sign any necessary documents.

General Information:

- Original Bids for 28,950 square foot facility received on May 29, 2018
- Guaranteed Maximum Price (without alternates) - \$15,934,506
- Schedule for completion – November 1, 2019
- Itemized Statement of GMP – Exhibit A

- The total estimated project cost including construction cost (GMP), professional services fees, testing and inspections, furniture, fixtures and equipment, and Alternative 1 if approved is \$18,517,589. This does not include a separate owner's contingency.

Building Cost	\$15,934,506	
Alt. 1 - Parking	\$ <u>318,583</u>	
Sub-Total		\$16,253,089 (GMP)
FF&E	\$ 575,000	
Testing	\$ 65,000	
Tel, Tech, Utilities	\$ <u>90,000</u>	
Sub-Total		\$ 730,000
Total Construction		\$16,983,089
Professional Fees	\$ <u>1,534,500</u>	
Total Project		\$18,517,589

Analysis:

On May 29, 2018 Core, the Construction Manager for this project opened bids. Since the bid opening, Core, Gallagher Construction, the City's Project Manager, and Corgan, the architects have been meeting to continue the Value Engineering process. Through this process \$623,464 in savings were identified and deducted from the original bid price with the accepted changes included in the GMP.

The following attachments to the GMP are provided:

- Exhibit A – Itemized Statement of the Guaranteed Maximum Price
- Exhibit B – Unit Pricing and Allowances
- Exhibit C – Qualifications and Clarifications
- Exhibit D – Contract Document List
- Exhibit E – Project Schedule

Substantial Completion is 423 calendar days from the date of commencement. The Coppell Arts Center opening is contemplated for November 1, 2019.

The following items and their corresponding allowances are included in the overall budget though they are not included in the GMP:

- Telephone - \$15,000
- Technology - \$25,000
- Service Providers -Power/Gas/Phone - \$50,000
- FF&E - \$575,000
- Testing - \$65,000
- Remaining Contingency by City outside of GMP - \$478,000

There are four Alternate Items with Alternative 1 being recommended. If approved by Council Alternate 1 will increase the GMP by \$318,583

These Alternates are:

- | | | |
|---|--------|-------------|
| • Alt. #1 – Add west side parking lot | Add | \$318,583 |
| • Alt. #2 – Add west side garden (including foundations) | Add | \$230,979 |
| • Alt. #3 – Add performance gazebo | Add | \$60,052 |
| • Alt. #4 – Eliminate underground A/C at Performance Hall | Deduct | (\$114,444) |

Legal Review:

The City’s legal counsel reviewed the Guaranteed Maximum Price Amendment.

Fiscal Impact:

Funding for the Arts Center is budgeted in the CRDC. The following is a 5-year projection for the CRDC Fund should the project be approved.

Fiscal Year	Annual Sales Tax Revenue	Committed Expenses Including Annual Park Maintenance and Enhancements	Prioritized Park Projects	Proposed Arts Center Debt, Exp. and Rev.	Ending Annual Balance Sept. 30th
17-18					\$9,336,405
18-19	\$10,356,871	(\$5,235,793)	(\$2,600,000)	(\$1,620,000)	\$10,237,483
19-20	\$10,615,792	(\$5,890,973)	(\$5,120,000)	(\$1,593,400)	\$8,248,902
20-21	\$10,881,187	(\$6,140,588)	(\$3,000,000)	(\$1,566,962)	\$8,422,539
21-22	\$11,153,217	(\$6,255,045)	(\$4,200,000)	(\$1,540,691)	\$7,580,020
22-23	\$11,432,047	(\$8,211,210)	(1,250,000)	(\$1,336,591)	\$8,214,266

Recommendation:

The City Manager's Office recommends approval of the Guaranteed Maximum Price Amendment to the Agreement between the City of Coppell (Owner) and Core Construction Services of Texas, Inc. (Construction Manager) including Alternative 1 for the construction of the City of Coppell Art Center totaling \$16,253,089.

It is anticipated that approval of the GMP will be requested from the CRDC Board during their meeting scheduled for Wednesday June 13, 2018.