

TOWN OF PALM BEACH

Information for Town Council Meeting on: June 12, 2018

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Jay Boodheshwar, Deputy Town Manager

FROM: H. Paul Brazil, P. E., Director of Public Works

RE: Seaview Park and Recreation Center Improvements – Project Update

DATE: June 5, 2018

STAFF RECOMMENDATION

Town staff is providing the following update on the development of a Construction Manager At-Risk (CMAR) Guaranteed Maximum Price (GMP) contract for the construction of the new Recreation Center and other improvements at Seaview Park.

GENERAL INFORMATION

At the February 2, 2017, Town Council meeting Resolution No. 22-2017 was approved, authorizing a contract with Hedrick Brothers Construction Inc. (HB) to complete initial pre-construction phase services for the Recreation Center project. A subsequent resolution (No. 69-2017) was approved at the May 9, 2017, meeting authorizing the completion of the remaining pre-construction services, including the development of a GMP for the project. After a lengthy delay to allow for the resolution of a legal claim challenging the Town's approval of the project HB formally solicited bids for the work defined in the project plans and specifications between April 1, 2018, and May 4, 2018, to begin developing the draft GMP.

HB submitted the draft GMP to the Town on May 21, 2018, which was higher than the project estimates from January 2017. Since the submittal, Town staff has been working with the architect, Stephen L. Boruff AIA Architects + Planners, Inc., to review the draft GMP, and have held three (3) rounds of negotiations with Hedrick Brothers to determine how the GMP could be reduced to a more acceptable number prior to Council consideration. The most recent negotiation session was held on June 4, 2018, and included a review of:

- The role of subcontractor, price proposals and timeline for Hedrick to submit a final GMP that met Town expectations of value.
- Cost escalation of materials and labor from the original conceptual budget estimate.
- Potential cost saving modifications to the project scope.

The completion of a final GMP will take a few more weeks to responsibly complete so staff recommends continuing the negotiation process with Hedrick Brothers with the goal of presenting a recommendation at the July 10, 2018, Council meeting, which will be to either approve the final GMP or reject it and consider other alternatives for moving forward.

If Town Council ultimately wishes to pursue other possible approaches for completing the project (other than the award of a CMAR contract to HB), the range of possibilities might include the following:

- Authorize negotiations with the next ranked CMAR firm from RFQ 2016-45, which would be The Weitz Company.
- Initiate a “two-step” procurement process to pre-qualify bidders for a construction contract and then issue bid documents to only those approved “pre-qualified” bidders. A separate construction management agreement would be recommended to ensure proper project management.
- Cancel the project and cease all procurement actions.

This item is still under the Palm Beach County “Cone of Silence” regulation so it would be improper to discuss additional details of the draft GMP submitted by Hedrick Brothers until such time it is ready for Council consideration.

FUNDING/FISCAL IMPACT

The final total cost of the project will not be known until the GMP negotiations have been completed. The previously approved funding support from the Mandel Foundation and the Friends of Recreation remain intact, with commitments for 2/3 of the total project costs (up to \$5,000,000 from each partner) to be paid through private resident donations.

PURCHASING REVIEW

The Purchasing Division has reviewed and confirmed that this project update complies with the Palm Beach County pre-contract award Cone of Silence guidelines.

cc: Beth Zickar, Director of Recreation
Jane Le Clainche, Director of Finance
Eric Brown, P.E., Assistant Director of Public Works
Dean Mealy, Purchasing Manager