

Information for Town Council Meeting on August 14, 2019

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Jane Le Clainche, CPA, Director of Finance

FROM: Dean Mealy, II CPPO Town Purchasing Manager

RE: Resolution Awarding a Construction Manager at Risk (CMAR) Contract to Burkhardt Construction, Inc. for the Town-Wide Utility Undergrounding Phase 3 North, **Resolution No. 63-2019**

DATE: 5 August 2019

STAFF RECOMMENDATION

Town staff recommends that Town Council approve Resolution No. 63-2019 and award a Construction Manager at Risk (CMAR) contract to Burkhardt Construction, Inc., for Town-Wide Utility Undergrounding Phase 3 North for a Guaranteed Maximum Price (GMP) amount not-to-exceed \$4,042,171.13 and establishing a Construction Phase Budget of \$4,242,171.13, and authorizes the Town Manager to execute a contract with Burkhardt Construction, Inc.

In addition, staff recommends that Town Council grant a waiver to Sections 42-196 through 199 of the Town of Palm Beach Code of Ordinances to allow for work past December 1, 2019, extending work hours and night-time work, as necessary, and approved by Public Works. Staff also recommends a waiver of the Town Code of Ordinances Section 42-226 through 229 - Regulation of Noise.

SUMMARY EXPLANATION/BACKGROUND

Town Council approved the selection of Burkhardt Construction, Inc. (BCI) as the CMAR for the Town-Wide Utility Undergrounding Phase 2 North (Phase 2 North) at the February 13, 2018 meeting. Included in the award was the options to continue with Phase 3 North. Phase 3 North extends from Merrain Road south to La Puerta Way. Due to BCI performance on Phase 2 North the staff moved forward with BCI to prepare the GMP for Phase 3 North. BCI was able to negotiate with C R Dunn to extend the awarded rates for Phase 2 North to Phase 3 North. The scope entails undergrounding of all overhead utilities, Comcast, AT&T, and Florida Power and Light (FPL). Phase 3 is scheduled to begin construction in September 2019.

The revised GMP from Burkhardt Construction, Inc. dated July 24, 2019 is included as an attachment.

A summary of the major components is provided as follows:

Direct Construction Costs	\$2,966,990.84
General Conditions	\$ 345,780.29
Project Management	\$ 510,900.00
Profit	\$ 227,500.00
Owner Direct Purchases	\$ (9,000.00)
Guaranteed Maximum Price:	\$4,042,171.13

The revised GMP was negotiated to reflect a cost savings of \$12,388.36 from the original GMP submitted by Burkhardt Construction, Inc.

Kimley-Horn and Associates provided the following review of the revised GMP as follows:

- The revised GMP amount of \$4,072,171 submitted by BCI (inclusive of a \$30k allowance for drilling through rock) is less than the \$4,220,000 updated opinion of cost by Kimley-Horn and Associates.
- The revised GMP amount of \$4,042,171.13 submitted by BCI is approximately 21% higher than the \$3,360,000 master plan opinion of cost. The difference is the result of unanticipated impacts to the project cost including market conditions that have yielded construction costs that have outpaced inflation estimates, agreed-upon easement locations not being in the most cost-efficient locations, elimination of AT&T cable subsidies that were included in the updated master plan OPC, and the need for work elements like chicanes, watermain deflections, drainage modifications, and other improvements that are necessary to place equipment in the right-of-way.

SPECIAL CONSIDERATIONS

Due to a late construction season start, the project schedule is sequenced to complete as much of the conduit installation on North Ocean Boulevard and North Lake Way, without simultaneously affecting both thoroughfares, prior to Thanksgiving. After Thanksgiving, construction will be limited to east/west roads until May 1, 2020. At that time, any unfinished construction on North Ocean Boulevard and North Lake Way will be finalized.

Staff is requesting that Town Council grant a waiver of the Town Code of Ordinances Sections 42-196 through 42-199 to allow for work past December 1, 2019, extending work hours and night-time work hours, as necessary, and approved by Public Works. Due to the complexity of this project and the relatively short schedule, it may be necessary to allow work hours from 7:00 a.m. to 7:00 p.m. Monday through Saturday during the summer months. The waiver is to include Saturday work as necessary and approved by Public Works. Staff also recommends a waiver to the Noise Ordinance for those same activities from Section 42-226 through Section 42-229 of the Town Code of Ordinances.

FISCAL IMPACT/FUNDING SOURCE

The funding will be from the Underground Utility Fund and is financed with assessment revenue and bond proceeds.

USER DEPARTMENT CONCURRENCE

Public Works is in full concurrence with this recommendation.

DUE DILIGENCE

Due Diligence was conducted to determine vendor responsibility, including corporate status and that there are no performance and compliance issues. The review included conducting market research as to current subcontractor rates.

The Ratification of RFQ No. 2018-03 authorized award of Phase 3 and Phase 4 contingent upon satisfactory performance of Phase 2.

TOWN ATTORNEY REVIEW

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney. The Town Attorney will review the Construction Manager at Risk Contract for legal form and sufficiency prior to execution by the Town Manager.

CC: Jay Boodheshwar, Deputy Town Manager
Paul Brazil, Director of Public Works
Jane Le Clainche, Director of Finance
Patricia Strayer, Town Engineer
Steven Stern, Underground Utilities Project Manager
Duke Basha, Assistant Purchasing Manager