

Information for Town Council Meeting on November 12, 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 Approving the Award of Construction Manager at Risk Contract to Burkhardt Construction Incorporated for Town-wide Utility Undergrounding Phase 2 South in the Amount of \$6,494,596, and Establishing a Project Budget of \$6,694,596; **Resolution No. 141-2019**

DATE: 31 October 2019

STAFF RECOMMENDATION

Staff recommends the approval the Award of Construction Manager at Risk Contract to Burkhardt Construction Incorporated for Town-wide Utility Undergrounding Phase 2 South in the Amount of \$6,494,596, and Establishing a Project Budget of \$6,694,596.

SUMMARY EXPLANATION/BACKGROUND

RFQ No. 2018-04 was issued on October 29, 2017 for Construction Manager at Risk for Phase 2 South. The Town and top ranked proposer, Whiting-Turner Contracting Company could not come to an agreement to move forward. On September 13, 2018, the recommendation was made to Town Council to accept the Withdrawal of the Whiting-Turner Contractor Company Proposal.

RFQ No. 2019-03 was issued on October 14, 2018. Kaufman Lynn Construction had been selected as Construction Manager at Risk (CMAR). Unfortunately, the Town and Kaufman Lynn Construction could not reach agreement during the GMP phase, in part to the proposed GMP submitted by Kaufman Lynn Construction. On July 25, 2019, a recommendation was made to Town Council to reject the GMP Proposal from Kaufman Lynn. At this time, consideration was given to move forward with the second ranked proposer, Burkhardt Construction Incorporated.

The Town had successful GMP negotiations with Burkhardt Construction Incorporated (BCI) in October 2019.

A summary of the major components is provided as follows:

| | |
|----------------------------------|---------------------|
| Direct Construction Costs | \$ 4,751,231 |
| General Conditions | \$ 562,614 |
| Project Management | \$ 813,150 |
| Profit | \$ 367,600 |
| Guaranteed Maximum Price: | \$ 6,494,596 |

The GMP was negotiated with Burkhardt and reflects a cost savings of \$1,049,743 from the GMP submitted by Kaufman Lynn and a cost savings of \$15,823 from the GMP submitted by Whiting Turner.

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

- The GMP amount of \$6,494,596 submitted by BCI is less than the \$6,570,000 updated opinion of cost by Kimley-Horn and Associates.
- The GMP amount of \$6,494,596 submitted by BCI brings the anticipated total cost of Phase 2 South to \$7.76M versus a \$5.35M updated master plan opinion of cost. The larger than anticipated difference can be mostly attributed to differences in the final design for the area versus how the master plan OPC was developed. The master plan OPC relied on average historical costs per linear foot of overhead lines converted since the quantity of overhead lines to be converted was known at the time of the master plan effort. Phase 2 South is a rather unique area with multiple segments of overhead infrastructure that is non-contiguous. In order to convert these non-contiguous segments of overhead infrastructure, a larger than typical quantity of underground conduit was necessary for both power and communications. In other words, a large amount of conduit and wire was required to create the necessary connections to convert a relatively small amount of overhead infrastructure as compared to other phases in the Town.
- Larger and longer than average power and communication service runs to the homes also contributed to the overrun due to the size of the homes and lots in this phase area as compared to other phases.
- Additional paving restoration requirements and required boring depths that are being driven by FDOT permit conditions also had an impact on costs.
- While a smaller component of the whole, the difference can also be attributed to unanticipated impacts 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, and elimination of AT&T cable subsidies that were included in the updated master plan OPC.

FISCAL IMPACT/FUNDING SOURCE

The funding source is the Town-wide Utility Undergrounding Fund.

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.

TOWN ATTORNEY REVIEW

This format has been utilized by the Town in previous recommendations and was approved by the Town Attorney.

CC: Jay Boodheshwar, Deputy Town Manager
Paul Brazil, Director of Public Works
Patricia Strayer, Town Engineer
Duke Basha, Assistant Purchasing Manager