

TOWN OF PALM BEACH

Information for Town Council Meeting on: December 8, 2020

TO: Mayor and Town Council

VIA: Kirk W. Blouin, Town Manager

VIA: Jane Le Clainche, CPA Finance Director

FROM: Dean Mealy, CPPO Town Purchasing Manager

RE: Resolution to Approve Award of GMP to Burkhardt Construction Inc. for Phase 4 North in the Amount of \$5,101,393.06 and Establish a Project Budget of \$5,300,000
Resolution No. 143-2020

The GMP Negotiations produced a savings of \$84,000.

DATE: 25 November 2020

STAFF RECOMMENDATION

Town staff recommends that Town Council approve Resolution 143-2020, approving award of the GMP to Burkhardt Construction Inc. for Phase 4 North and Via Marila Drainage in the amount of \$5,101,393.06, and establish a project budget of \$5,300,000.

GENERAL INFORMATION

The Town of Palm Beach selected Burkhardt Construction, Inc. (BCI) as the Construction Manager at Risk for the Phase 4 North Undergrounding Conversion. On November 13, 2020, BCI submitted a Guaranteed Maximum Price (GMP) for the projects to the Town and Kimley-Horn for review. The GMP received included costs for the Phase 4 North Undergrounding project and the Via Marila Drainage Improvement Project. Because these two (2) projects share a similar project area, there are cost and schedule efficiency gains in constructing them simultaneously under a single project. This approach is similar to that taken for the infrastructure improvements that were constructed during the Phase 2 North Undergrounding project.

The total cost increased because the Town requested that an allowance be included within the GMP of \$100,000 for rock due to Phase 4 North is anticipated to be similar to Phase 3 North. If this cost is disregarded, the total cost was reduced by \$84,000. The profit is now 8.1% instead of 8.4%. The rate increase was reduced to 2.5% from 3%. All other items that were requested appear to have been addressed.

The GMP received for the Phase 4 North Undergrounding project was \$5,043,009.99 without Via Marila. The Engineer's Opinion of Probable Cost was \$5,270,000 for the project. The Master Plan Opinion of Probable Cost that was updated in November 2019 included a cost opinion of \$5,360,000 for the construction elements that were anticipated to be included in the GMP for Phase 4.

Kimley-Horn reviewed the GMP to identify any abnormalities with the various bid items, CMAR costs, and Exceptions and Clarifications submitted by BCI. The results of our review follow below.

Phase 4 North Undergrounding GMP

The GMP received for Phase 4 North is approximately 5% lower than the Engineer's OPC for the project. This can be mostly attributed to a significant reduction in General Conditions and Project Management Fees presented by BCI. With Phases 2 South, 3 South, and 3 North under active construction, there are now considerable overlaps in project schedules that allow more cost efficiencies to be realized. The following items are recommended to be reviewed and revised by BCI, as applicable:

- The percentage profit was increased to 8.4% versus the traditional 7.7% we have seen in previous phases.
- Unit prices from Phase 3 North that were used to develop the GMP were increased by 3% for this GMP, while Note #2 under the General section of the Exceptions and Clarifications states that unit prices are the same as contained in Phase 3 North.
- We anticipate the level of rock drilling will be similar to that experienced in Phase 3 North. Therefore, we recommend the GMP carry an allowance in the amount of \$100,000 in anticipation of this additional effort. The Via Marila Drainage Improvement scope should be itemized separately in the GMP, including any associated CMAR costs, as these improvements will not be funded by the Undergrounding Program Budget. Additionally, there are a few individual line items that need quantity revisions or should be considered for elimination from the GMP. These items are as follows:
 - The line item "Verify the availability to reuse existing abandoned duct" has been eliminated from the project. This item can be eliminated from the GMP.
 - The quantity of "Install FPL furnished transformers..." can be reduced from 44 to 43.
 - The signage required for the chicanes can be removed from the GMP as the Town has already directly purchased these signs and provided them to BCI for early installation with the demonstration chicanes.
 - For the work at the D-10 pump station, it is recommended that the fill line item to raise the path be measured by cubic feet rather than square feet.

Kimley Horn and Associates Inc. recommend that the above line items be discussed with BCI to develop strategies to reduce these costs. The Exceptions and Clarifications submitted with the GMP was also reviewed. Our review of these conditions yields the following comments:

- General - Item 2: This note indicates that unit prices were compiled using the same unit prices as Phase 3 North. This contradicts the unit price increase of 3% that was observed in the GMP.
- General - Item 21: This note should be revised to reflect the sign installation required for the chicanes.
- Water / Sewer / Storm Drainage - Item 3: This note should be revised to reflect the watermain deflections required for chicane installation.

- Water / Sewer / Storm Drainage - Item 4: This note should be revised to acknowledge required water meter relocations, but that no connection fees are included or anticipated due to these relocations.
- Franchise Utilities - Item 9: This note should be revised to acknowledge a rock drilling allowance of \$100,000.

SPECIAL CONSIDERATIONS

Staff recommends a waiver to Section 42-196 and Section 42-199 of the Town Code of Ordinances allowing off hour construction, as necessary, and approved by Public Works. The contractor, with the assistance of Public Works staff, will notify residents in the immediate area prior to off-hour work. Staff also recommends a waiver to the Noise Ordinance for those same off-hour activities including weekends from Section 42-226 through Section 42-229 of the Town Code of Ordinances.

FUNDING/FISCAL IMPACT

The funding for these services will come from the Town-wide Underground Utility Project Fund. The proceeds from the General Obligation Bond will be used to fund these costs.

PUBLIC WORKS REVIEW

This item has been reviewed by the Public Works and approved as recommended.

TOWN ATTORNEY REVIEW

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

cc: Paul Brazil, Public Works Director
Patricia Strayer, P.E., Town Engineer
Duke Basha, Assistant Purchasing Manager
Eric Shibley, CPPB Senior Buyer