



Staff Report

TO: City Council
FROM: Robert L. Vestal, Public Works Director
DATE July 16, 2024
SUBJECT: City Hall Renovation- Construction Contingency Ratification

Description Ratify the City Manager's authority to approve contract change orders for the construction of the City Hall Renovations.

Background and Analysis:

On March 21, 2023, City Council awarded a Public Works Agreement to Dalke and Sons Construction, Inc. to construct the City Hall Renovations for an original contract amount of \$2,498,483. Included in this action, the City Council also authorized the City Manager to approve change orders and unforeseeable project costs up to the project contingency of \$209,549.

On October 17, 2023, the City Council approved a CIP amendment that increased the City Hall Renovation project construction contingency by \$175,000 as a result of needed construction changes.

Although the staff report and presentation stated the intended use as additional construction contingency, the staff report and subsequent City Council action did not authorize the City Manager to approve change orders exceeding the original contingency amount of \$209,549. City staff authorized the contractor to perform work in excess of the original contract and contingency amount consequent to the October 17, 2023, meeting.

Therefore, City staff is proposing ratifying City Manager's original approval authority authorized on March 21, 2023, to the increased amount of \$317,731. Any additional contingency beyond this amount will be used for other project expenses.

Fiscal Impact:

The cost to prepare this staff report is estimated to be \$250.

The contingency was previously approved as part of the City Hall Renovations CIP budget amendment. Please refer to the following summary table project accounting summary.

CF-104 City Hall Renovation Project Accounting Summary				
Funding Summary				
Funding Year	Funding Source			Amount
18/19	Basic Service DIF			\$1,000,000.00
21/22	SLFRF			\$1,200,000.00
22/23	ISF04 - HVAC			\$275,812.00
22/23	ISF09 - BUILDING B WINDOWS			\$26,000.00
22/23	ISF03 - BATHROOMS			\$100,000.00
22/23	ISF02 - FIRE SPRINKLER			\$403,504.00
22/23	ISF01 - ROOF			\$313,071.00
23/24	Basic Service DIF			\$175,000.00
Total Project Funding =				\$3,493,387.00
Budget Summary				
Project Component	Budget	Encumbered	Paid to Date	Remaining Budget
Project Management	\$0.00	\$0.00	\$0.00	\$0.00
Preliminary Services	\$250,897.00	(\$250,885.37)	(\$250,885.37)	\$11.63
Environmental	\$0.00	\$0.00	\$0.00	\$0.00
Design	\$181,000.00	(\$181,000.00)	(\$181,000.00)	\$0.00
Construction	\$2,834,157.00	(\$2,761,279.35)	(\$2,677,753.15)	\$72,877.65
Construction Services	\$48,875.00	(\$48,875.00)	(\$48,875.00)	\$0.00
Permits	\$700.00	\$0.00	\$0.00	\$700.00
Equipment	\$177,758.00	(\$177,757.62)	(\$177,151.54)	\$0.38
Project Summary Totals	\$3,493,387.00	(\$3,419,797.34)	(\$3,335,665.06)	\$73,589.66

Recommended Action:

Ratify the City Manager's authority to approve contract change orders for the construction of City Hall Renovations up to an amount not to exceed \$317,731.

Attachments:

- A. Staff Report – Construction Award and Contingency
- B. Staff Report – Additional Construction Contingency