

**CITY OF COOS BAY URBAN RENEWAL AGENCY**  
Agenda Staff Report

<b>MEETING DATE</b> January 17, 2012	<b>AGENDA ITEM NUMBER</b>
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**TO:** Chair Melton and Board Members

**FROM:** Jim Hossley, Public Works and Development Director

**Through:** Rodger Craddock, City Manager *rec*



**ISSUE:** City Hall Police Station Seismic Renovation - Consideration of Award of Contract with Construction Manager/General Contractor; Chambers Construction, Inc. for the Guaranteed Maximum Price (GMP)

**BACKGROUND:**

On October 4, 2011, staff presented to the Agency four proposals for Construction Manager/General Contractor (CM/GC) for the City Hall Police Station Seismic Renovation Project. The Agency decided on Chambers Construction Company, and directed staff to negotiate a Guaranteed Maximum Price for the rehabilitation and remodel work with Chambers Construction Company. Staff is pleased to present to the Agency the Guaranteed Maximum Price (GMP) in the amount of \$2,188,000 which includes a 5.5% contingency. The contractor wanted the contingency in case they encounter "unknowns". Staff understands that it is possible the contractor will encounter unexpected conditions, though unlikely. Therefore, as a provision for allowing for the 5.5% contingency, the contractor will report back to the city at different milestones regarding the use of the contingency. For example, at the 20% project completion point the contractor will report back to city staff the amount of contingency, if any, that has been consumed. If no contingency was used, the 5.5% contingency will be reduced by 20% and so on. Thus if no contingency is used, then the 5.5% (\$120,340) will not go to the CM/GC but will remain with the City. The City could elect to do additional City Hall upgrades with the funds. The bottom line is that whatever is left of the contingency, it will not go to the CM/GC.

**BUDGET IMPLICATIONS:**

The City of Coos Bay was awarded a Seismic Rehabilitation Grant (SRG) through the Oregon Department of Emergency Management in the amount of \$1,500,000. In addition to the grant, City General Funds (\$600,000) and URA funds (\$400,000) provide \$1,000,000 for more needed improvements to City Hall for a total project budget of \$2,500,000. After deduction of engineering services, there is \$2,188,000 remaining for construction of the project. Because the Agency is contributing \$400,000 of URA funds to the project, the Agency needs to take action to approve the award of contract for the GMP

**ADVANTAGES:**

The City Council approved the contract with Chambers Construction for the GMP January 3, 2012. The seismic renovation to City Hall will protect occupancy during a seismic event and

meet code; ACSE41-06 "Seismic Rehabilitation of Existing Building". In addition to the seismic rehabilitation work, other improvements will include upgrades to City Council chambers, public/staff restrooms, interior painting, new carpet and energy efficiency improvements to the building.

**DISADVANTAGES:**

None

**ACTION REQUESTED:**

If it pleases the Agency, approve the award of the Construction Manger/General Contractor contract for the City Hall Seismic Rehabilitation project to Chambers Construction Company for the Guaranteed Maximum Price of \$2,188,000 and authorize the City Manager to execute the contract documents.