

TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

<b>SUBJECT:</b> First Amendment to Construction Manager at Risk Contract Morganti Texas, Inc. New Houston Public Works (HPW) Northeast Quadrant Building WBS Nos: R-95000-0001-4 & S-950000-0001-4	<b>Page</b> 1 of 2	<b>Agenda Item</b> 23
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<b>FROM (Department or other point of origin):</b> General Services Department	<b>Origination Date</b>	<b>Agenda Date</b> 4/24/18
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<b>DIRECTOR'S SIGNATURE:</b> C.J. Messiah, Jr. <i>[Signature]</i> 3-24-18	<b>Council District(s) affected:</b> J
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<b>For additional information contact:</b> Jacquelyn L. Nisby <i>[Signature]</i> Phone: 832.393.8023	<b>Date and identification of prior authorizing Council action:</b> Ordinance No. 2016-961; December 7, 2016 Ordinance No. 2017-647; August 23, 2017
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**RECOMMENDATION:** Approve First Amendment to Construction Manager at Risk contract and appropriate additional funds for the project.

<b>Amount and Source of Funding:</b> \$ 1,926,500.00 – PWE- W&S System Consolidated Construction Fund (8500) <i>[Signature]</i> 4/5/2018  <b>Previous Funding:</b> \$14,109,760.00 - PWE- W&S System Consolidated Construction Fund (8500)	<b>Finance Budget:</b>
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**SPECIFIC EXPLANATION:** The General Services Department recommends that City Council approve a First Amendment to the existing Construction Manager at Risk (CMAR) contract with Morganti Texas, Inc. to add construction phase services for the removal and replacement of three, 20,000-gallon underground fuel storage tanks (UST) and fuel island at the existing HPW Northeast Quadrant facility, and appropriate an additional \$1,926,500.00 to the contract.

The master planning study determined that the existing fuel island location is not optimal. Currently, the location of the fuel island presents an obstruction in the main heavy vehicle traffic areas. In addition, the USTs serving the fuel were installed in 1984 and are at the end of their service life. Failure of the tanks could result in subsurface release of contaminants requiring emergency response, clean up, long-term environmental assessment, remediation, and regulatory reporting costs. The current construction contract provides an opportunity to proactively avoid the potential costs associated with tank failure by expanding the scope of work to include removal and replacement of the tanks and fuel island, which were not part of the original contract.

**PROJECT LOCATION:** 718 East Burress St. (Key Map: 453E)

**PROJECT DESCRIPTION:** The existing USTs, fuel island and associated components will be demolished and properly disposed of according to applicable regulatory guidelines. New USTs and fuel island will be constructed in a location that does not conflict with vehicular traffic pattern on the site.

346 *[Signature]*

<b>REQUIRED AUTHORIZATION</b>		CUIC ID # 25CONS334
<b>General Services Department:</b> <i>3/22/18</i> Richard A. Vella Assistant Director Real Estate, Design & Construction Division	<b>Houston Public Works:</b> <i>9/13/16</i> <i>fo-</i> Carol Ellinger Haddock, P.E. Director <i>[Signature]</i>	



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**PREVIOUS HISTORY AND PROJECT SCOPE:** On December 7, 2016, Ordinance No. 2016-961, City Council awarded a CMAR contract to Morganti Texas, Inc. for pre-construction phase services pertaining to the new HPW Northeast Quadrant facility for water and wastewater operations. On August 23, 2017, Ordinance No. 2017-647, City Council appropriated additional funds to the CMAR contract for construction phase services. The project will demolish the existing administration building and construct a new 30,000 sf replacement facility along with site improvements.

**FUNDING SUMMARY:**

The following amounts for construction and contingency are based on the construction manager's estimate of costs. The final cost of construction will be submitted to the director for approval as part of the Guaranteed Maximum Price (GMP) proposal.

<b>Original Contract</b>	<b>First Amendment</b>	<b>Revised Amount</b>	
\$ 12,675,000	\$ 1,834,750	\$ 14,509,750	Estimated Construction Cost
\$ 633,750	\$ 91,750	\$ 725,500	5% Contingency
<b>\$ 13,308,750</b>	<b>\$ 1,926,500</b>	<b>\$ 15,235,250</b>	<b>Total Estimated Contract Services</b>

**CONSTRUCTION GOALS:** An 18% MBE goal and 10% WBE goal have been established for the construction phase of this contract. The construction phase has not begun. The construction manager will submit the list of proposed certified sub-contractors with the issuance of the GMP proposal.

**CIP FISCAL NOTE:** There is no estimated impact to the operating and maintenance costs for this additional funding. Therefore, no Fiscal Note is required as stated in the Financial Policy Ordinance No. 2014-1078.

**Capital Project Information:** See attached Form A for a breakdown of capital costs.

CJM:JLN:RAV:CRC:ON:cd

c: Marta Crinejo, Jacquelyn L. Nisby, Carol Ellinger Haddock, P.E., Shannon Dunne, Yvonne Forrest, Ruth Gonzales, Magda Alanis, Veronica Lizama, Isaiah Osazuwa, Deborah McNulty, Maricela Kruseman, Martha Lake, File