



Legislation Text

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Power District Catalyst Project Phase II Construction GMP (B)

In June 2012, the City Commission approved the lease of the Power District Catalyst Warehouse to Prioria Robotics, and the Guaranteed Maximum Price (GMP) proposed from CPPI Inc. for the first phase of construction, which consists of building stabilization and core-and-shell improvements. Phase I started in mid-July beginning with selective demolition, lead abatement and cutting exterior wall openings.

Since June, staff has been developing Phase II (Project Build-out) design and construction documents and finalizing a GMP for the final phase of building improvements to the Catalyst warehouse property. Phase II will consist of interior building improvements, including interior partitions, finishes, mechanical, electrical and plumbing systems, as well as site improvements. Phase II construction is anticipated to begin in September, and is scheduled to be finished by early February in order to meet the lease requirements of tenant occupancy in February 2013. Oelrich Construction is under contract with the City of Gainesville for Continuing Construction Services and has been selected as construction manager of the Catalyst Project Phase II.

The GMP provided by Oelrich Construction is \$1,196,886. The GMP represents the maximum amount that can be paid by the City, assuming no major changes in the scope of the project. The opportunity does exist; however, that the City may pay less than the GMP as the actual bids for trade packages may be less than proposed in the GMP, resulting in savings that are returned to the City. Additionally, if any contingency remains after project closeout, that amount is returned to the City as well. In contrast, if the actual bids for trade packages are more than proposed in the GMP, the City will not pay more than the amount in the GMP.

As the project has continued to progress, additional needs of the project and tenant, Prioria Robotics, have been identified. In order to meet the tenant's usage needs, the following items were added to the scope of the interior build out: changing an area of approximately 5,000 square feet of storage area to office usage which necessitated adding more robust HVAC systems in that area, an increased number of offices and bathrooms, additional electrical outfitting and specialty lighting for a 5,000 sq ft area as well as other improvements identified during lease negotiations and Phase II design.

Due to the expansion of the scope of the project in manner outlined above, the GMP provided exceeds the \$1 million limit identified under the City's Continuing Minor Projects agreement. Staff and the design/construction teams have been continuously and diligently working to reduce costs by value engineering at every stage of design; however, in order to meet all of the contractual obligations and code requirements, costs are expected to exceed the previously approved budget. No other major changes in scope are anticipated at this time, as negotiations were finalized in June and all of the City's contractual obligations have been stipulated in the executed Lease Agreement. In order to fund the additional construction expenses (beyond the originally anticipated \$1 million Phase II project scope), the CRA will revert a portion of the \$250,000 reimbursement it has received for expenditures related to the project. Therefore, no additional funds are being requested at this time.

The GMP for Phase II construction is \$1,196,886. On June 18, 2012 the City Commission appropriated \$2,625,000 from General Fund Undesignated Reserves to fund this project. The capital improvement costs of the project of approximately \$2,250,000 and the property acquisition expense of \$375,000 bring the total investment in the project to \$2,625,000. The CRA was reimbursed \$250,000 for engineering, design and consulting services paid for by the CRA. A sum of \$947,083 remains available to allocate towards the Phase II GMP and the CRA will revert the remainder from its reimbursement in order to ensure successful completion of the project within the original budget.

The City Commission: 1) approve GMP of \$1,196,886 for Phase II construction as described in the fiscal note; and 2) authorize City Manager to execute specified source and other related documents subject to approval of the City Attorney as to form and legality.