



CITY COUNCIL CONSIDERATION ITEM
CITY OF FAIR OAKS RANCH, TEXAS
March 17, 2022

AGENDA TOPIC: Discussion and possible action on the Civic Center Project
DATE: March 17, 2022
DEPARTMENT: City Council
PRESENTED BY: Laura Koerner, Council Member, Place 4

INTRODUCTION/BACKGROUND:

At the March 3, 2022 City Council meeting, Council Member Koerner requested an update on the Civic Center project.

Since July 1, 2021, no additional action has been taken on the Civic Center portion of the Professional Services Agreement with Studio S Architekts or with the Construction Manager at Risk agreement with Waterman Construction. Complete background details of the no-action status are provided below:

1. In February 2020, City Council authorized the advancement of a Civic Center and City Hall Renovation project utilizing the Construction Manager at Risk method.
2. In April 2020, the City entered into a Professional Services Agreement with Studio S Architekts to provide architectural design services for the project. .
3. On July 2, 2020, City Council passed and approved a Resolution authorizing the submission of a funding application to the Fair Oaks Ranch Municipal Development District for construction of a Civic Center.
4. On September 16, 2020, the FORMDD Board passed and approved a Grant Award Agreement to reimburse the City for the construction of a Civic Center. The grant was for up to \$600,000 and subject to issuance of a certificate of occupancy.
5. Upon receipt of 30% design plans, on October 9, 2020, the City issued a Request for Proposals soliciting proposals from qualified firms to provide Construction Manager at Risk services for the construction of the Civic Center and renovation of City Hall for no more than \$1,200,000.
6. On January 21, 2021, the City entered into a Professional Services Agreement with Waterman Construction, LLC to provide Construction Manager at Risk services. The agreement authorized them to begin work and incur pre-construction and general condition fees up to \$134,000 with a future Guaranteed Maximum Price Amendment brought before Council for approval.
7. On April 30, 2021, Waterman Construction presented city staff with an initial project cost of \$2,679,894 (civic center portion being \$1,821,142) based on the current design and subcontractor bids. The unexpected increase was due to the scope of the work designed, the cost of construction materials, and the current economic conditions. Waterman

8. Construction was asked to continue working on the project by identifying ways to meet the city's budget of \$1,200,000.
9. In June 2021, after careful consideration of the current economic conditions, inclusive of significant material and labor cost increases within the construction sector, and after receiving multiple options, the City Manager determined meeting the original budget without making drastic concessions to the original scope would not be attainable. Accordingly, the City Manager ordered an official Stop Work Order on the design and pre-construction services of the Civic Center and City Hall Renovation.
10. City Council, on July 1, 2021, after receiving a project update from the City Manager, provided direction *to set aside the Civic Center portion* and focus on the City Hall renovation.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

N/A

LONG-TERM FINANCIAL & BUDGETARY IMPACT:

The \$600,000 MDD Grant expires 1095 days (3-years) from the Effective Date.

LEGAL ANALYSIS:

N/A

RECOMMENDATION/PROPOSED MOTION:

Provide direction insight and direction to staff.