



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 06/28/2022

**REQUESTER:** Brenda Hall

**PRESENTER:** Brenda Hall, City Clerk

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ADOPTION, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF AMENDMENT NO. THREE TO CONTRACT K-1920-133: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, THE NORMAN MUNICIPAL AUTHORITY, AND CROSSLAND CONSTRUCTION COMPANY, INC., INCREASING THE GUARANTEED MAXIMUM PRICE BY \$492,185.38 FOR ADDITIONAL COSTS ASSOCIATED WITH THE ASBESTOS ABATEMENT FOR THE DEVELOPMENT CENTER PORTION OF THE MUNICIPAL COMPLEX RENOVATION PROJECT AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

City Council and Norman Municipal Authority, in its meeting of March 12, 2020, approved Contract K-1920-133 with Crossland Construction Company, Inc., in the amount of \$32,390.00, to provide Construction Manager at Risk Services (CMaR) for the Municipal Complex Renovation Project. On March 23, 2021, Amendment No. One was approved by Council to establish the guaranteed maximum price (GMP) of \$6,392,330.00 for the Development Center portion of the project. On October 26, 2021, City Council approved Amendment No. Two to K-1920-133, setting a GMP of \$667,562 for the City Hall portion of the project. This Amendment No. Three to K-1920-133 relates to the Development Center portion of the project.

In September 2021, during the advanced demolition/construction stages of the Development Center portion of the project, asbestos was discovered and over 20,000 square feet was determined to be included in the contaminated area. Abatement work has been completed by Tec-An, Inc., and the Department of Labor completed their final inspection on April 29, 2022.

**DISCUSSION:** Once the construction was shut down, the sub-contractors had to demobilize and remove their items/equipment from the site. There were areas of construction abutting the contaminated area where insulation had already been installed, but had to be removed during the abatement process due to possible particulates transferring from the contaminated area. As a result, that insulation will have to be purchased for a second time and reinstalled. Additionally, approximately 600 pieces of the gypsum board around the perimeter of the contaminated areas will require a heavier skim coating prior to painting due to damages caused by the abatement process. The cost of additional work in the damaged areas totals \$156,396.40.

As with many of the City's other construction projects, material prices have increased since the project was put on hold and those costs totaling \$198,161.62 are included in this amendment along with \$137,627.36 in remobilization costs from the contractor and sub-contractors for a total increase of \$492,185.38 to the Development Center GMP. This increase raises the original GMP applicable to the Development Center to a total amount of \$6,884,515.38, for a current total contract amount of \$ 7,584,467.38, including all amendments.

The additional costs relating to this Amendment No. Three have been reviewed by the City's Project Management consultants, ADG, and the architect for the project, The McKinney Partnership, and both recommend approval of the amendment.

The current project funding is not sufficient to cover the additional costs. Staff recommends \$493,000 be appropriated from the General Fund Balance (account 10-29000) and transferred to the Municipal Complex Renovation/Expansion, Construction (Account 50196644-46101; Project BG0075) to cover the additional costs.

**RECOMMENDATION:** Staff recommends City Council approve Amendment No. Three to Contract K-1920-133 with Crossland Construction Company, Inc., increasing the Development Center GMP by \$492,185.38 and the appropriation of General Fund balance as outlined above.