



City of Olathe

COUNCIL AGENDA ITEM

MEETING DATE: 9/17/2019

DEPARTMENT: Public Works

STAFF CONTACT: Mary Jaeger / Beth Wright

SUBJECT: Amendment to the agreement with McCown Gordon Construction for construction of the Indian Creek Library Project, PN 6-C-001-17.

ITEM DESCRIPTION:

Consideration of Amendment No. 4 to the agreement with McCown Gordon Construction, LLC for the construction of the Indian Creek Library Project, PN 6-C-001-17.

SUMMARY:

On September 5, 2017, City Council approved the Construction Management agreement with McCown Gordon Construction, LLC (McCown Gordon) for the Indian Creek Library Project. On November 17, 2017, July 24, 2018, and November 20, 2018, City Council approved Amendment No. 1, Amendment No. 2, and Amendment No. 3 to the Agreement with McCown Gordon. These amendments approved a Guaranteed Maximum Price (GMP) of \$14,602,900 for construction of the project. Included in the GMP is an owner's allowance in the amount of \$738,000 to be used by the City to manage unexpected costs arising during construction and which the City may be responsible, and to manage scope modifications directed by the City.

Construction of the project began in August 2018. Throughout construction various unforeseen conditions have been encountered. Some of the unforeseen conditions have been generally minor in nature and required fairly simple workarounds. Other unforeseen conditions with the roof deck and poor subgrade conditions were more complex and costly. These issues along with various design refinements and scope modifications have been managed by using funds in the owner's allowance with the GMP. To date approximately \$733,000 of costs related to unforeseen conditions and scope modifications have been charged against the \$738,000 owner's allowance within the construction contract with McCown Gordon.

As construction nears completion, staff and McCown Gordon are managing further unforeseen conditions and scope modifications. Staff and McCown Gordon currently anticipate approximately \$150,000 of additional charges to the owner's allowance. Staff recommends an increase of \$175,000 to the owner's allowance within the construction contract to manage these additional costs. This increase to the construction contract can be managed by reallocating funds currently held within the project contingency and does not require an increase in the project funding.

Amendment No. 4 will increase the construction contract \$175,000 from \$14,602,900 to \$14,777,900. The additional funding will be allocated to the owner's allowance and will allow staff to manage additional construction related expenses as we work towards completion of this project. This Amendment also extends the date for substantial completion from September 11, 2019 to September 30, 2019 due to weather delays encountered in November, January, and February.

Construction of the project is in the final stages. Furniture and equipment installation will begin in

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September as portions of the interior are completed and turned over to the City. Furniture and equipment installation will be ongoing throughout September and early October. Installation of all furniture and equipment is scheduled to be complete by mid-October. Grand Opening of the library is scheduled for October 19, 2019.

FINANCIAL IMPACT:

The Indian Creek Library Project is funded with General Obligation Bonds in the amount of \$19,000,000. This increase in the construction contract is currently accommodated in the project budget.

ACTION NEEDED:

Approval of Amendment No. 4 to the Agreement with McCown Gordon Construction, LLC for the construction of the Indian Creek Library Project, PN 6-C-001-17.

ATTACHMENT(S):

- A: Amendment No. 4
- B: Project Fact Sheet