

EXECUTIVE SUMMARY

**Second GMP Amendment to Construction Services Agreement
 Gilbane Building Company
 Northeast High School, Oakland Park
 SMART Program Renovations
 Project No. P.001684**

PROJECT OVERVIEW:

Type of Contract:	Construction Manager at Risk (CMAR)
Construction Manager:	Gilbane Building Company
Notice to Proceed Date:	Pending
Budget:	See Below

GENERAL OVERVIEW:

The Guaranteed Maximum Price (GMP) Amendment associated with Single Point of Entry improvements was approved by the Board on September 26, 2017 (Agenda Item JJ-14) in the amount of \$601,436. The Single Point of Entry improvements are in construction and nearing completion. The purpose of the Second GMP Amendment is to establish \$26,559,715 as the GMP for the remaining SMART Program improvements. The Project costs are guaranteed by the Construction Manager not to exceed the combined sum of GMP Amendment and Second GMP Amendment equaling \$27,161,151.

The scope of work for the Second GMP Amendment includes safety/security upgrade, fire sprinklers, fire alarm, weight room relocation, STEM lab improvements, HVAC improvements, electrical improvements, re-roofing, and ADA renovations related to educational adequacy.

Pursuant to the process for securing bids in order to determine the Second GMP Amendment amount, bids were received on February 16, 2018 and were opened on February 20, 2018. The Second GMP Amendment as submitted by Gilbane Building Company, in accordance with Article 6 of the CMAR agreement, has been received and is recommended for acceptance and approval in the amount of \$26,559,715.

Included in the Second GMP Amendment are agreed upon Allowances that total \$2,145,450 and a Construction Contingency of \$1,162,603 which are customary under the CMAR delivery model and allowed by the Construction Contract Agreement. The purpose of the Allowances is to account for work items that are identified but not quantifiable at the time of the GMP submission. Procedures and expenditures related to the use of any Contingency and any Allowances included in the Second GMP Amendment shall comply with the CMAR Agreement Section 6.1.1 and Specification Section 01295 Contract Modification Procedures. Gilbane Building Company must request and receive prior written approval by the Owner, through an Allowance Expenditure Proposal (“AEP”), to use funds contained in each Allowance prior to expenditure of funds. The use of any Allowance is subject to unanimous approval of the AEP by the Chief Facilities Officer, Director of Construction, Owner’s Representative, and Project Cost Consultant, prior to disbursement to Gilbane Building Company.

In this Second GMP Amendment, Gilbane seeks Owner-approval of the use of CDI/Subguard for all trade contractors in lieu of subcontractor Payment and Performance Bonds. The cost of CDI/Subguard, if such use is approved, shall be considered part of the Cost of the Work. The cost for the CDI/Subguard is \$237,277.

The Second GMP Amendment also includes \$60,690 as part of the General Conditions for the additional Pre-Construction Services Gilbane has incurred. These additional services are associated with the extended project design duration.

The Second GMP Amendment submitted by Gilbane Building Company exceeds the available funds and requires additional funding to proceed with the SMART Program Renovations. In order to authorize the award of this Second GMP Amendment, CBRE | Heery recommends the Board approve additional funding in the amount of \$16,910,000.

The subject of anticipated budget overages with the SMART Program has been previously briefed to the Board by Atkins through communications titled SMART Program Risk Assessment and Construction Market Conditions. The overall average of the SMART Program overage has been communicated to the Board to be an average of 25%. Discussions have also included that the anticipated overage for the projects at Blanche Ely High School, Northeast High School and Stranahan High School would exceed these averages. This overage was captured in the Atkins Risk Assessment Model that was previously communicated to the Board. As a result, the Board previously set aside \$219.7M for Program Reserves to address these anticipated overages.

Analysis of the budget overage for Northeast High School has been conducted by Atkins and CBRE | Heery. The following scopes are primarily resulting in this overage, re-roofing, HVAC improvements, fire alarm and electrical improvements. The overage of the re-roofing is roughly \$10M, the overage of the HVAC improvements is roughly \$2M, the overage of the fire alarm and electrical improvements is roughly \$2M, and the overage of the fire sprinklers is roughly \$1M.

The revised overall project budget for the Second GMP Amendment for the SMART Program Renovations at Northeast High School is \$13,824,564 [\$14,547,000 (Original Total Project Budget) - \$121,000 (Weight Room Renovation) - \$601,436 (Single Point of Entry GMP Amendment)]. Of this amount, the Second pre-GMP Amendment budget is \$10,426,314 and the Second pre-GMP Owner construction contingency is \$551,387 (5% of construction budget). The balance of the budget is for costs such as design fees, program management fees, and other soft costs.

The Second GMP Amendment that was received from Gilbane Building Company was for \$26,559,715. This proposal is \$16,133,401 over the Second pre-GMP Amendment budget [\$26,559,715 (Second GMP Amendment amount) - \$10,426,314 (Second pre-GMP Amendment budget)]. In addition, in order to maintain a 5% Owner construction contingency for the project, the contingency needs to be increased by \$776,599 [\$1,327,986 (5% value of Second GMP Amendment) - \$551,387 (Second pre-GMP Owner construction contingency)].

The total requested increase to the overall project budget for the SMART Program Renovations is therefore \$16,910,000 (\$16,133,401 + \$776,599).

This Amendment has been reviewed and approved as to form and legal content by the Office of the General Counsel.

For the latest Bond Oversight Committee Quarterly Report information regarding this project [click here](#).