

EXECUTIVE SUMMARY

**Construction Bid Recommendation of \$500,000 or Greater
ITB 18-179C
Oakridge Elementary School, Hollywood
OAC Action Construction Corp.
SMART Program Renovations
Project No. P.001712**

PROJECT OVERVIEW:

Delivery Method:	Design/Bid/Build
Contractor:	OAC Action Construction, Corp.
Notice to Proceed Date:	Pending Board Approval
Budget:	See below

GENERAL OVERVIEW:

This item is requesting authorization to award a Lump Sum Contract for construction of the Oakridge Elementary School SMART Program Renovations to OAC Action Construction, Corp., in the amount of \$3,777,372.43. The scope of work for this project includes, but not limited to, improvements to Building 2 (includes building envelope improvements, HVAC improvements, and fire alarm), media center improvements, HVAC improvements, building envelope improvements, and fire alarm.

The Letter of Recommendation to Issue a Permit has been provided by the Building Department. Bids were received on December 13, 2018 from a total of four (4) bidders. On December 14, 2018, staff posted a recommendation to award the project to Overholt Construction Corp. (Overholt), contingent upon the execution and return of a written contract within twenty (20) consecutive calendar days after receipt of written Notice of Intent to Award. Overholt refused to honor the terms of its submitted bid and would not return the signed Agreement. Procurement and Warehousing Services has therefore recommended the award of the project be made to OAC Action Construction, Corp., the second lowest responsive, responsible bidder that met the specifications, terms and conditions of the bid (see Exhibit 2 for details).

The proposal from OAC Action Construction, Corp. exceeds the available funds and requires additional funding to proceed with the SMART Program Renovations. CBRE | Heery recommends that the Board approve additional funding in the amount of \$1,473,860.

The budgetary pressure comes from the increase in roofing (building envelope improvements), HVAC improvements, and fire alarm system costs. Originally budgeted at \$7.35/square foot (SF) in MAPPS, the roofing unit cost has increased to \$19/SF, leading to a building envelope improvements overage of \$400,000. The HVAC improvements unit cost also increased from what was originally budgeted in MAPPS, leading to an overage of \$440,000. And finally, originally budgeted at \$169,000 in MAPPS, the cost to replace the fire alarm system has increased, leading to an overage of \$530,000.

The overall project budget for the SMART Program Renovations at Oakridge Elementary School is \$3,606,000. Of this amount, the pre-bid construction budget is \$2,437,500 and the pre-bid construction contingency is \$243,750 (10% of construction budget). The balance of the budget is for costs such as design fees, program management fees, and other soft costs.

The proposal that was received from OAC Action Construction, Corp. was for \$3,777,372.43. This proposal is \$1,339,872.43 over the pre-bid construction budget [\$3,777,372.43 (proposal amount) - \$2,437,500 (pre-bid construction budget)]. In addition, in order to maintain a 10% construction contingency for the project, the contingency needs to be increased by \$133,987.57 [\$377,373.57 (10% value of proposal) - \$243,750 (pre-bid construction contingency)].

The total requested increase to the overall project budget for the SMART Program Renovations is therefore \$1,473,860 (\$1,339,872.43 + \$133,987.57). This will result in a revised overall project budget of \$5,079,860 for the SMART Program Renovations.

OAC Action Construction, Corp. is not a certified Minority/Women Business Enterprise (M/WBE). However, OAC Action Construction, Corp. has committed to M/WBE Participation of 26.47% for this project through the use of a certified M/WBE subcontractor.

This Agreement 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](#).