



City Council Agenda Report
Meeting Date: September 20, 2016
Department: City Manager

SUBJECT:

FIRST AMENDMENT TO THE AGREEMENT WITH BERNARDS BROS., INC.
FOR LAKE FOREST CIVIC CENTER CONSTRUCTION MANAGEMENT
SERVICES

RECOMMENDED ACTION(S):

1. Approve the First Amendment with Bernards Bros., Inc. for Lake Forest Civic Center Construction Management Services.
 2. Authorized the Mayor to sign and the City Clerk to Attest the First Amendment substantially in the form attached.
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EXECUTIVE SUMMARY:

On December 15, 2015, the City Council awarded a three-year contract to Bernards Bros., Inc. ("Bernards") with a total not-to-exceed compensation amount of \$2,104,864 for construction management services related to the Lake Forest Civic Center project. This amount covers construction management during design/pre-construction, construction, and post-construction of the Lake Forest Civic Center. The First Amendment to the Agreement would expand the scope of services and increase total compensation by \$756,461 for a total not-to-exceed amount of \$2,861,352. The additional scope of services is to prepare, bid, and manage the demolition and rough grading of the Lake Forest Civic Center site, complete installation of the Indian Ocean access road, including coordination of site utility installation, and construction of a two level parking deck. The City Attorney's Office reviewed and approved the attached agreement as to form.

BACKGROUND:

During the initial consideration of delivery methods for the Lake Forest Civic Center construction project in 2012, staff recommended engaging a professional Construction Management ("CM") firm to deliver the project under the CM/Multiple Prime method based upon the known parameters of the Lake Forest Civic Center project. At that time, the City Council approved staff's

recommendation. CM/Multiple Prime is a project delivery method in which a professional Construction Manager acts as a consultant on a project from inception to completion. The CM integrates the different facets of the construction process to provide technical and management expertise. "Multiple Prime" refers to the City directly contracting with more than one trade contractor as opposed to utilizing a General Contractor. The CM/Multiple Prime approach is recognized and widely used in the public and private sectors as an effective and efficient means of achieving successful delivery of construction projects.

In October 2014, the City Council approved a Request for Proposals for the construction management services for the Lake Forest Civic Center project. The City received a total of eight (8) proposals. After evaluating technical submittals, cost proposals, and interviewing the firms, staff recommended awarding a contract to Bernards. On December 15, 2015, the City Council awarded a contract to Bernards for construction management services related to the Lake Forest Civic Center project. The contract provided for a not-to-exceed amount of \$2,104,864 for an initial three-year term with two multi-year renewal options based on the length of the project.

DISCUSSION:

By the summer of 2016, the City obtained all necessary permits from the Army Corps of Engineers ("ACOE") relative to the Special Area Management Plan ("SAMP"). With the SAMP issues resolved, the City and Irvine Ranch Water District ("IRWD") are working on an amendment to the 2008 Development Agreement ("DA") to effectuate new conditions resulting from the ACOE permit and to initiate the "Acceleration and Self-help Provisions" included in Section A(4)(D) of the DA. This would allow the City to take the lead and start construction of the Lake Forest Civic Center site.

The original scope of the construction management services agreement was developed with the understanding that the owner of the Serrano Summit development would be responsible for site development, which includes construction of the Indian Ocean street extension and rough grading of the Lake Forest Civic Center parcel. With the City taking the lead under the Self-help Provisions, staff is recommending adding services to the Bernards' Scope of Work to cover extended pre-construction and the additional site development services related to the Lake Forest Civic Center project as defined below:

Time Extension

The original contract was based on a fixed time-line for services that included sixteen (16) months for pre-construction. However, due to the City taking the

initial project lead, the pre-construction period has been extended to twenty-two (22) months. The additional time to manage the demolition and rough grading of the project site as well as oversee the installation of a two-level parking deck results in added consultant cost, a portion of which will be reimbursed by the owner of Serrano Summit.

Added Site Development Work

The original contract anticipated building the Lake Forest Civic Center project on a rough graded parcel with access to the site via a completed extension of Indian Ocean in addition to direct access to utility services. Now that the City is taking the lead, the new scope will include demolition and grading of the project site and the complete installation of the road including the coordination of the utility installation. This work will be reimbursed by the Serrano Summit owner. Second, Bernards will manage the installation of a two-level parking deck at the north end of the site. The parking deck is a feature in the Civic Center design and is not subject to reimbursement.

The First Amendment was prepared by the Finance Department and was reviewed and approved by the City Attorney as to form.

FISCAL IMPACT:

The First Amendment to the Agreement would increase compensation by \$756,461 making total compensation \$2,861,325 for the Lake Forest Civic Center construction management services. There are sufficient funds in the 2015-2017 Capital Improvement Projects Budget for Lake Forest Civic Center construction management services.

ATTACHMENTS:

First Amendment to the Agreement with Bernards Bros., Inc.

Initiated By: Glynis Litvak, Management Analyst
Submitted By: Keith D. Neves, Deputy City Manager
Approved By: Robert C. Dunek, City Manager