

## ST. PETERSBURG CITY COUNCIL

Meeting of July 11, 2019

### Report

**TO:** The Honorable Charles Gerdes, Chair, and Members of City Council

**SUBJECT:** A resolution accepting Addendum No. 6 in an amount not to exceed \$450,000 submitted by Skanska USA Building, Inc. (“Skanska”) to the Guaranteed Maximum Price (“GMP”) proposal dated November 17, 2017, to increase the Owner’s Contingency; providing that the total GMP for the Pier Project shall not exceed \$41,661,812; authorizing the Mayor or his designee to execute the Eighth Amendment to the Construction Manager at Risk Agreement with a GMP between the City of St. Petersburg, Florida, and Skanska dated July 13, 2015, as amended, to incorporate Addendum No. 6 to the GMP proposal into such agreement, as amended; authorizing the City Attorney’s office to make non-substantive changes to the Eighth Amendment; approving a supplemental appropriation in the amount of \$450,000 from the unappropriated balance of the General Capital Improvement Fund (3001) resulting from interest earnings on the debt proceeds for the St. Pete Pier™ Project, for the increase in Owner’s Contingency to the Pier Visioning Project (11988); and providing an effective date.

**EXPLANATION:** The City of St. Petersburg, Florida (“City”) and Skanska USA Building, Inc. (“Skanska”) executed the Construction Manager at Risk Agreement with a Guaranteed Maximum Price (“GMP”) on July 13, 2015, for Skanska to provide preconstruction and construction phase services for the new St. Pete Pier™ Project. Following execution of the agreement, the City authorized Skanska to provide preconstruction phase services in an amount not to exceed \$490,000. On March 2, 2017, City Council approved a First Amendment for additional preconstruction services in an amount not to exceed \$381,200 for fabrication and delivery of twenty (20) test piles and two (2) overwater pile layout templates for a revised total Preconstruction Phase services fee of \$871,200. Skanska has completed the preconstruction phase services approved to date. On June 1, 2017 City Council approved the Second Amendment for the Partial GMP for the Marine Structural Work in the amount of \$17,579,847. On December 7, 2017, City Council approved the Third Amendment to incorporate the Final GMP in the amount of \$38,520,687. On August 2, 2018, City Council approved the Fourth Amendment to add \$55,000 in additional preconstruction services related to tenant improvements. On February 7, 2019 City Council approved the Fifth Amendment to add Addendum No. 1 in the amount of \$711,371 for the Tampa Bay Watch Discovery center tenant improvements and Addendum No. 2 in the amount of \$400,000 to increase the Owner’s Contingency in the GMP. On April 18, 2019 City Council approved the Sixth Amendment to add Addendum No. 3 in the amount of \$174,150 for splash pad enhancement and Addendum No. 4 in the amount of \$852,829 for Pier Head building modifications. On May 16, 2019 City Council approved the Seventh Amendment to add Addendum No. 5 in the amount of \$552,775 to provide for the UPS tenant improvements at the Pavilion, Bait House and Sundry Shop.

Acceptance of Addendum No. 6 increases the Owner’s Contingency within the Pier GMP from \$800,000 to \$1,250,000. Since the initiation of construction on the overwater portion of the Pier project, City staff have authorized the extra work related to unforeseen conditions ranging from debris obstructions affecting pile placement, underground structures requiring over-excavation and additional fill importation, unsuitable soil conditions, and unanticipated permit conditions resulting in previous request for increase in the

Owner's Contingency in Addendum No. 2. Since then, there have been several additional unanticipated cost events including an increase in the Builder's Risk Insurance Premium and overruns in the material testing allowance for concrete, piles and other materials. The additional Owner's Contingency is necessary to provide a positive balance in Owner Contingency given the roughly six months of duration for the construction work.

The summary of Pier GMP's to date is as follows:

Partial GMP No.1 for Marine Structure	\$ 17,579,847
Partial GMP No.2 for Balance of the Work	<u>\$ 18,098,487</u>
Final Base GMP Proposal	\$ 35,678,334
Acceptance of Project Enhancements	<u>\$ 2,842,353</u>
Final GMP Proposal	\$ 38,520,687
Addendum No. 1 for TBW Discovery Center TI	\$ 711,371 (approved)
Addendum No. 2 for additional Owner's Contingency	\$ 400,000 (approved)
Addendum No. 3 for upgrades to the Splash Pad	\$ 174,150 (approved)
Addendum No. 4 for Pier Head building modifications	\$ 852,829 (approved)
Addendum No. 5 for Pavilion, Bait House and Sundry	\$ 552,775 (approved)
Addendum No. 6 for additional Owner's Contingency	\$ <u>450,000</u> (requested)
<b>Revised Final GMP</b>	<b>\$ 41,661,812</b>

**Recommendation:** Administration recommends City Council approve a resolution accepting Addendum No. 6 in an amount not to exceed \$450,000 submitted by Skanska USA Building, Inc. ("Skanska") to the Guaranteed Maximum Price ("GMP") proposal dated November 17, 2017, to increase the Owner's Contingency; providing that the total GMP for the Pier Project shall not exceed \$41,661,812; authorizing the Mayor or his designee to execute the Eighth Amendment to the Construction Manager at Risk Agreement with a GMP between the City of St. Petersburg, Florida, and Skanska dated July 13, 2015, as amended, to incorporate Addendum No. 6 to the GMP proposal into such agreement, as amended; authorizing the City Attorney's office to make non-substantive changes to the Eighth Amendment; approving a supplemental appropriation in the amount of \$450,000 from the unappropriated balance of the General Capital Improvement Fund (3001) resulting from interest earnings on the debt proceeds for the St. Pete Pier™ Project, for the increase in Owner's Contingency to the Pier Visioning Project (11988); and providing an effective date.

**COST/FUNDING/ASSESSMENT INFORMATION:** Funding in the amount of \$450,000 will be available after approval of a supplemental appropriation in the amount of \$450,000 from the

Pier – Eighth Amendment to the Skanska Agreement  
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unappropriated balance of the General Capital Improvement Fund (3001), resulting from interest earnings on the debt proceeds for the St. Pete Pier™ Project, to the Pier Visioning Project (ECID Project No. 09227-019; Oracle11988) for the increase in the Owner's Contingency.

**ATTACHMENTS:** Resolution  
GMP Addendum No. 6

**APPROVALS:**

  
Administrative

  
Budget

RESOLUTION NO. 2019-\_\_\_\_\_

A RESOLUTION ACCEPTING ADDENDUM NO. 6 IN AN AMOUNT NOT TO EXCEED \$450,000 SUBMITTED BY SKANSKA USA BUILDING, INC. ("SKANSKA") TO THE GUARANTEED MAXIMUM PRICE ("GMP") PROPOSAL DATED NOVEMBER 17, 2017, TO INCREASE THE OWNER'S CONTINGENCY; PROVIDING THAT THE TOTAL GMP FOR THE PIER PROJECT SHALL NOT EXCEED \$41,661,812; AUTHORIZING THE MAYOR OR HIS DESIGNEE TO EXECUTE THE EIGHTH AMENDMENT TO THE CONSTRUCTION MANAGER AT RISK AGREEMENT WITH A GMP BETWEEN THE CITY OF ST. PETERSBURG, FLORIDA, AND SKANSKA DATED JULY 13, 2015, AS AMENDED, TO INCORPORATE ADDENDUM NO. 6 TO THE GMP PROPOSAL INTO SUCH AGREEMENT, AS AMENDED; AUTHORIZING THE CITY ATTORNEY'S OFFICE TO MAKE NON-SUBSTANTIVE CHANGES TO THE EIGHTH AMENDMENT; APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$450,000 FROM THE UNAPPROPRIATED BALANCE OF THE GENERAL CAPITAL IMPROVEMENT FUND (3001) RESULTING FROM INTEREST EARNINGS ON THE DEBT PROCEEDS FOR THE ST. PETERSBURG PIER™ PROJECT, FOR THE INCREASE IN THE OWNER'S CONTINGENCY TO THE PIER VISIONING PROJECT (11988); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of St. Petersburg, Florida ("City") and Skanska USA Building, Inc. ("Skanska") entered into a Construction Manager at Risk Agreement with a Guaranteed Maximum Price ("GMP") on July 13, 2015, for Skanska to provide preconstruction and construction phase services for the new Pier; and

WHEREAS, following execution of the agreement, the City authorized Skanska to provide the preconstruction phase services in an amount not to exceed \$490,000; and

WHEREAS, on March 24, 2017, the City and Skanska executed the First Amendment for Skanska to provide additional preconstruction services which included fabrication and delivery of twenty (20) test piles and two (2) overwater pile layout templates in an amount not to exceed \$381,200 (for the total preconstruction phase costs not to exceed \$871,200); and

WHEREAS, on June 9, 2017, the City and Skanska executed the Second Amendment to incorporate the Partial GMP Proposal for the marine structural work in the amount of \$17,579,847 into the agreement, as amended; and

WHEREAS, on December 7, 2017, the City and Skanska executed the Third Amendment to incorporate the Final GMP Proposal in an amount not to exceed \$38,520,687 (which included (i) the Partial GMP Proposal – Marine Structural Work and the Partial GMP Proposal – Balance of the Work in the amount of \$18,098,487, which are collectively the base GMP for the project, and (ii) the GMP

proposal for the addition of three pier enhancement elements {the Plaza Pavilion, the Enhanced Splash Pad, and the Additional Breakwater} in the amount of \$2,842,353) into the agreement, as amended, to revise the disadvantaged worker and apprentices provision to clarify good faith efforts and retainer, and to modify other necessary provisions; and

WHEREAS, on August 2, 2018, the City and Skanska executed the Fourth Amendment for Skanska to provide additional preconstruction phase services related to the Pier head building tenant improvements, education building tenant improvements, and pavilion tenant improvements for an amount not to exceed \$55,000, and to revise the project schedule; and

WHEREAS, on February 7, 2019, the City and Skanska executed the Fifth Amendment to increase the GMP by an additional \$1,111,371 for construction of the Tampa Bay Watch Discovery Center tenant improvements and to increase the owner's contingency and to further revise the project schedule; and

WHEREAS, on April 19, 2019, the City and Skanska executed the Sixth Amendment to increase the GMP by an additional \$1,026,979 for (i) upgrades to the interactive control system for the Pier splash pad and (ii) the Pier head building back of house and core & shell modifications; and

WHEREAS, on May 30, 2019, the City and Skanska executed the Seventh Amendment to increase the GMP (as previously increased) by an additional \$552,775 for Pier Pavilion, Bait House and Sundry Shop Tenant Improvements; and

WHEREAS, the City and Skanska desire to execute the Eighth Amendment to increase the GMP (as previously increased) by an additional \$450,000 to increase the owner's contingency (for a total GMP for the Pier Project not to exceed \$41,661,812).

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida, that Addendum No. 6 in an amount not to exceed \$450,000 submitted by Skanska USA Building, Inc. ("Skanska") to the Guaranteed Maximum Price ("GMP") proposal dated November 17, 2017 to increase the Owner's contingency is hereby accepted.

BE IT FURTHER RESOLVED that the total GMP for the Pier Project shall not exceed \$41,661,812.

BE IT FURTHER RESOLVED that the Mayor or his designee is authorized to execute the Eighth Amendment to the Construction Manager at Risk Agreement with a GMP between the City of St. Petersburg, Florida, and Skanska dated July 13, 2015, as amended, to incorporate Addendum No. 6 to the GMP proposal into such agreement, as amended.

BE IT FURTHER RESOLVED that the City Attorney's Office is authorized to make non-substantive changes to the Eighth Amendment.

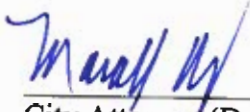
BE IT FURTHER RESOLVED that there is hereby approved from the unappropriated balance of the General Capital Improvement Fund (3001), resulting from interest earnings on the debt proceeds for the St. Pete Pier™ Project, the following supplemental appropriation for FY19:

General Capital Improvement Fund (3001)  
Pier Visioning Project (11988)

\$450,000

This resolution shall become effective immediately upon its adoption.

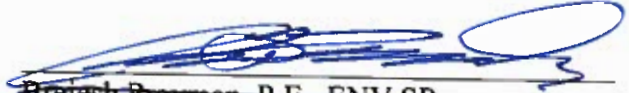
Approvals:



City Attorney (Designee) 00456249



Budget



~~Brejesh Prayman, P.E., ENV SP~~  
~~Engineering and Capital Improvements Director~~  
Claude D. Tankersley, P.E.  
Public Works Administrator



June 24, 2019

**Mr. Brejesh Prayman, PE**  
Engineering and Capital Improvements Director  
City of St. Petersburg  
One 4<sup>th</sup> Street N.  
St. Petersburg, FL 33701

**Re: *New St. Petersburg Pier***  
***Pier GMP Addendum #6 – Additional Owner's Contingency Allowance***

Dear Mr. Prayman:

We are pleased to provide you with this proposal to increase the Owner's Contingency Allowance for the New St. Petersburg Pier.

- **Additional Owners Contingency Allowance** **\$ 450,000.00**

If you have questions please do not hesitate to contact us.

Sincerely,

SKANSKA USA BUILDING INC.



Kenneth E. Duty  
Project Executive

Cc: **Chuck Jablon – Account Manager**  
**Johnathan Meese – Preconstruction Director**

6/24/2019

Description	Pier GMP Addendum No. 6 Totals
<b>Direct Cost</b>	
BUILDING PERMIT	N/A
CONSTRUCTION CONTINGENCY	N/A
Subcontractor Default Insurance	N/A
CCIP	N/A
Sub Total	N/A
<b>GENERAL CONDITIONS</b>	
General Conditions (Lump Sum)	N/A
<b>CM FEES</b>	
Construction Management Fees	N/A
<b>INSURANCES &amp; BOND</b>	
Builders risk insurance	N/A
Performance & Payment Bond	N/A
<b>SUBTOTAL</b>	<b>N/A</b>
	450,000
<b>ADDITIONAL OWNER'S CONTINGENCY ALLOWANCE (Soft Costs Contained Within Allowance)</b>	
<b>CONTRACT TOTALS</b>	<b>450,000</b>