



**Date:** December 2, 2014

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Joel V. Reitzer, Jr., Director, General Services Department

**Subject:** Change Order to Address Modifications to the Masonry Scope of Work for 400 Cleveland Street Roof and Envelope Renovations Contract with L.A. Downey and Son, Inc.

### **Executive Summary**

The 400 Cleveland Street Roof and Envelope Renovations project is currently under construction and about 50% complete. During construction additional masonry repairs were identified that result in an extended construction schedule and additional construction costs. The additional repairs involve installation of through-wall flashing at the base of the roof parapets, a detail that's typical in masonry construction and necessary for proper protection of the wall. Although less critical masonry repairs have been removed from the project to offset some of the additional expense, the overall change order exceeds the 10% contingency encumbered to the construction contract.

### **Recommendation**

The General Services Department recommends that the City Council:

1. Authorize the City Manager to execute a change order to the construction contract for the 400 Cleveland Street Roof and Envelope Renovations project with L.A. Downey and Son, Inc. in the amount of \$46,144.00, so that the total contract amount will not exceed \$497,314.00.
2. Increase the project contingency to \$49,700.00 and authorize the City Manager to negotiate and execute change orders on 400 Cleveland Street Roof and Envelope Renovations construction contract, provided the total project cost does not exceed \$547,014.00.

### **Background**

The Durham Parks and Recreation Department's core administration functions are housed at 400 Cleveland Street. The building is slab on grade, framed in steel with CMU walls and a brick veneer. The roof system consists of a steel framing system with a steel roof deck, insulation and a single ply PVC covering, with a total roof area of 8,970 square foot. In FY 2012-2013, the City Council approved a Capital Improvements Program (CIP) project in the amount of \$600,000.00 for the replacement of the existing roof and other envelope improvements at 400 Cleveland Street to address ongoing water intrusion problems. The 400 Cleveland Street Roof and Envelope Renovations construction project bid on March 18,

2014, and the contract was awarded to L.A. Downey and Son, Inc. The base scope of work was bid at \$420,169.00 and includes a new flat roof assembly for the facility, tuck-pointing and application of brick sealant to the entire building, replacement of the exterior stair, and replacement of sealants at all doors and windows. In addition, four alternates were accepted, for a total contract value of \$446,699.00.

Shortly after the initiation of construction, the designer identified that through-wall flashing typically found at the base of the roof parapet is missing, and contributing to some of the masonry concerns around the top of the building. It is recommended to add the flashing and decrease some of the less essential tuck-pointing masonry work to offset some of the additional cost. The general contractor (GC), L.A. Downey and Son, Inc, was unable to reach an agreement on the price of this work with their masonry subcontractor. As a result, and with the support of EO/EA, the GC has secured a more acceptable price for the work by another masonry subcontractor, who can start the work immediately. While the additional cost has been vetted by the GC, Architect and City staff, and funds are available in the overall project budget, the proposed change order exceeds the 10% contingency encumbered to the construction contract.

### **Issues/Analysis**

The flashing issue was discovered once construction started when an exterior wall was opened up for a more thorough examination. It's essential to the long term well-being of the facility to properly address the flashing. Over time it has allowed water infiltration into the exterior wall and pushed the mortar out of the joint at the base of the parapet. If not properly repaired, by installing through-wall flashing, the issue will worsen and potentially make the brick above that mortar joint unstable.

In order to cover additional upcoming costs, it is recommended to maintain a 10% contingency for the remainder of the project. One of the additional costs is to change the signage on the exterior of the building, as that facility is now solely occupied by the Department of Parks & Recreation. The other added cost will be addressing a foundation settling issue at the southwest corner of the building. Soil testing needed for the repair is being addressed by separate change order.

### **Alternatives**

One alternative is to decrease the scope to the exterior wall renovations to within what has already been approved by Council. Staff recommends against this alternative as financial resources have been allocated to fully fund this project, including the added masonry repairs. Postponement of this renovation will result in continued degradation of the building envelope and continued costs for repairs.

### **Financial Impacts**

#### **Project Funding Sources**

Installment Sales	3301C990 - CC240	\$600,000
Deferred Maintenance	0C200000 - 723500	\$68,100
<b>Total Project Funding</b>		<b>\$668,100</b>

### Funding Uses Summary

<b>Prior:</b>		
Building Assessment	0C200000 - 723500	\$19,300
Design, Construction Administration	0C200000 - 723500	\$48,800
Construction Contract	3301C990-731000-CC240	\$446,699
Construction Change Order #1	3301C990-731000-CC240	\$4,471
<b>Total</b>		<b>\$519,270</b>
<b>Current:</b>		
Construction Change Order #2	3301C990-731000-CC240	\$46,144
Construction Contingency	3301C990-731900-CC240	\$49,700
<b>Total Financial Impact</b>		<b>\$95,844</b>
Remaining Unallocated Funds	3301C990 - CC240	\$52,986
<b>Funding Uses Total</b>		<b>\$668,100</b>

### SDBE Summary

This item is a change order and was not reviewed by the Department of Equal Opportunity /Equity Assurance for compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.