



PUBLIC FACILITIES AUTHORITY

Rusty Paul, Chairperson

John Paulson
Ken Dishman
Chris Burnett
Gabriel Sterling
Tibby DeJulio
Andy Bauman

Tuesday, July 18, 2017

Public Facilities Authority

Following the Regular Meeting

SPECIAL CALLED MEETING OF THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY (THE “AUTHORITY”)

City Council Chambers

1. **PFA17-28 CALL TO ORDER** – Chairperson Rusty Paul
2. **PFA17-29 ROLL CALL** – Secretary Michael Casey
3. **PFA17-30 APPROVAL OF MEETING AGENDA**

NEW BUSINESS

4. **PFA17-31** Approval of the minutes from the June 6, 2017 Public Facilities Authority meeting
5. **PFA17-32** Resolution to Decrease the Guaranteed Maximum Price for Construction of the City Springs Project, as Established by Change Order #10 Pursuant to the Provisions of a Certain Contract for Construction Between the City of Sandy Springs, GA and Holder Construction Group, LLC, Dated June 30, 2015, and to Authorize the City Manager to Execute the Change Order
(Presented by City Manager, John McDonough)
6. **PFA17-33 ADJOURNMENT**

City Springs Update

July 18, 2017



SANDY SPRINGS
GEORGIA



Budget and Cost

- NO CHANGE TO OVERALL BUDGET
- Review of contingency
- Approval of Change Order 10

Project Revenues

Funding Sources	Total Budget	Funded through 5/31/2017	Balance to Fund
Pay As You Go	\$27,500,000	\$32,500,000	(\$5,000,000)
Available City Center Fund	\$9,812,000	\$9,812,000	\$0
Land Sale Escrow	\$9,000,000	\$3,490,514	\$5,509,486
Use of Fund Balance	\$5,000,000	\$0	\$5,000,000
Bond Issuance	\$171,400,000	\$171,400,000	\$0
Interest Income	\$0	\$628,522	(\$628,522)
	\$222,712,000	\$217,831,036	\$4,880,964

Project Expenditures

Cost Sources	Total Budget	Funded through 5/31/2017	Balance to Fund
Construction	\$192,705,614	\$100,154,265	\$92,551,349
Consulting	\$17,175,808	\$14,963,843	\$2,211,966
Special Costs	\$10,945,260	\$9,891,404	\$1,053,857
Owner Contingency	\$1,885,318	\$0	\$1,885,318
	\$222,712,000	\$125,009,511	\$97,702,489

Pending Costs - update

	June 11, 2017
Owner Contingency	<u>\$1,885,318</u>
Change Order 10	-\$352,722
Pending Exposures	<u>\$1,265,291</u>
Total Exposures	\$912,569
Net Contingency	\$972,749
Construction Contingency	<u>\$1,110,903</u>
Total Contingency	\$2,083,652

Schedule

ACTIVITY DESCRIPTION	Estimated Completion Date
Performing Arts Center	
Certificate Of Occupancy	Summer 2018
Office Building / Studio	
Office / Studio Dry-In	6/21/2017
Certificate Of Occupancy	Summer 2018
Park	
Civic Roads/Hardscape Complete	11/6/2017
Civic Final Plantings	Spring 2018
Private Development	
Private Development Roads/Hardscape Complete	Q1 2018

** Schedule evaluation is in progress, with projection based on exposures known to date*



Change Order 10

- Scope/value additions
 - Security-rated bollards at PAC and major sidewalks
 - Site public wifi and infrastructure
 - Revised lighting design and infrastructure
 - PAC finish details
- No change to construction duration at this time
- Transfer to Contingency: \$352,722

Amended Project Expenditures

Cost Sources	Total Budget	Amended Budget	Budget Change
Construction	\$192,705,614	\$192,352,892	(\$352,722)
Consulting	\$17,175,808	\$17,175,808	\$0
Special Costs	\$10,945,260	\$10,945,260	\$0
Owner Contingency	\$1,885,318	\$2,238,040	\$352,722
	\$222,712,000	\$222,712,000	\$0

Questions

TO: Members of the City of Sandy Springs Public Facilities Authority (“PFA”)

FROM: John McDonough, General Manager of the PFA, and City Manager of the City of Sandy Springs (“City”)

DATE: July 14, 2017 for submission on the July 18, 2017 PFA Meeting agenda

ITEM: RESOLUTION TO DECREASE THE GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER #10 PURSUANT TO THE PROVISIONS OF A CERTAIN CONTRACT FOR CONSTRUCTION BETWEEN THE CITY OF SANDY SPRINGS, GA AND HOLDER CONSTRUCTION GROUP, LLC, DATED JUNE 30, 2015, AND TO AUTHORIZE THE CITY MANAGER TO EXECUTE THE CHANGE ORDER

Background and Discussion:

On June 16, 2015 at regular Council meeting, City Council adopted a resolution approving a certain Contract for Construction (“Contract”) between the City (subsequently assigned to the PFA) and Holder Construction Group, LLC (“Holder”) for constructing the City Springs project (“Project”).

Pursuant to the Contract, Holder agreed that the cost to the City of performing the work under the Contract, including the cost of the work described in the Contract, the general conditions costs, and Holder’s fee, shall not exceed the Guaranteed Maximum Price (“GMP”), as established by change order pursuant to the Contract. The Contract further provides that the establishment of the GMP shall be accomplished by written change order (“GMP Change Order”).

The Contract further provides that an adjustment to the GMP may be made as authorized by written change order. On February 16, 2016, Council approved a GMP value of \$180,057,353.00 for the Project. The GMP value was established by a GMP Change Order dated February 16, 2016, in accordance with Contract provisions.

On August 16, 2016, Council again approved an increase to the GMP by Change Order #5, resulting in a GMP value of \$188,956,290.00 for the Project. The increase was requested due to: transfers from the City held budgets for equipment, design evolution/completion, differing site conditions, and scope changes.

In October of 2016, Change Order #6 was executed by the City. Change Order #6 granted a time extension of forty-two (42) days; however, there was no increase to the GMP value.

The Contract was assigned by the City to the PFA in June of 2016, and on March 21, 2017, the PFA approved the actions taken by the City in Change Orders #5 and #6.

On March 7, 2017, the PFA approved Change Order #7 which increased the GMP value by the amount of \$2,854,088.00, for a new GMP value of \$191,810,378.00, and granted a time extension for fifty-six (56) calendar days. The overall budget for the Project was not increased by Change Order #7.

On May 2, 2017, the PFA approved Change Order #8 pursuant to the terms of the Contract, which increased the GMP by \$875,315.00, for a new GMP value of \$192,685,693.00.

On June 6, 2017, the PFA approved Change Order #9 which increased the GMP by \$19,921.00, for a new GMP value of \$192,705,614.00.

Holder has now requested approval of Change Order #10 pursuant to the terms of the Contract, which will decrease the GMP by \$352,722.00, for a new GMP value of \$192,352,892.00. This GMP value decrease is due to a netting of credits and debits for certain scope and value additions to the Project, including security-rated bollards at the performing arts center and major sidewalks, site public wifi and infrastructure, revised lighting design and infrastructure, and performing arts center finish details. While the GMP is decreased by Change Order #10, the overall budget for the Project is not increased, and there is no adjustment to construction duration.

When Change Order #10 is executed, the decrease to the GMP will be applied to the Contract. A copy of Change Order #10 is attached to the Resolution.

Recommendation:

City staff and consultants recommend that the PFA approve a decrease in the GMP value of \$352,722.00, for a new GMP value of \$192,352,892.00, as described in Change Order #10. City staff and consultants further recommend that the PFA authorize the City Manager to execute Change Order #10.

Alternative:

Reject the recommendation and provide further instruction to the City Manager and staff.

Attachments:

Resolution with attached Change Order #10.

STATE OF GEORGIA
COUNTY OF FULTON

**RESOLUTION TO DECREASE THE GUARANTEED MAXIMUM PRICE FOR
CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY
CHANGE ORDER #10 PURSUANT TO THE PROVISIONS OF A CERTAIN
CONTRACT FOR CONSTRUCTION BETWEEN THE CITY OF SANDY SPRINGS, GA
AND HOLDER CONSTRUCTION GROUP, LLC, DATED JUNE 30, 2015, AND TO
AUTHORIZE THE CITY MANAGER TO EXECUTE THE CHANGE ORDER**

WHEREAS, on June 16, 2015 at regular Council meeting, City Council adopted a resolution approving a certain Contract for Construction (“Contract”) between the City of Sandy Springs, GA (“City”) and Holder Construction Group, LLC (“Holder”) for constructing the City Springs project (“Project”); and

WHEREAS, pursuant to the Contract, Holder agreed that the cost to the City of performing the work under the Contract, including the cost of the work described therein, the general conditions costs, and Holder’s fee, shall not exceed the Guaranteed Maximum Price (“GMP”), as established by change order pursuant to the Contract; and

WHEREAS, on February 16, 2016, City Council approved a GMP of \$180,057,353.00 for the Project by change order, in accordance with Contract provisions; and

WHEREAS, the Contract provides that an adjustment to the GMP may be made as authorized by written change order; and

WHEREAS, on August 16, 2016, Council again approved an increase to the GMP by Change Order #5, resulting in a GMP value of \$188,956,290.00 for the Project for transfers from the City held budgets for equipment, design evolution/completion, differing site conditions, and scope changes; and

WHEREAS, in October of 2016, Change Order #6 was executed by the City, which granted a time extension of forty-two (42) days but did not increase the GMP value; and

WHEREAS, the Contract was assigned by the City to the PFA in June of 2016, and on March 21, 2017, the PFA approved the actions taken by the City in Change Orders #5 and #6; and

WHEREAS, on March 7, 2017, the PFA approved Change Order #7 which increased the GMP value by the amount of \$2,854,088.00, for a new GMP value of \$191,810,378.00, and granted a time extension for fifty-six (56) calendar days; and

WHEREAS, on May 2, 2017, the PFA approved Change Order #8 which increased the GMP by \$875,315.00, for a new GMP value of \$192,685,693.00; and

WHEREAS, on June 6, 2017, the PFA approved Change Order #9 which increased the GMP by \$19,921.00, for a new GMP value of \$192,705,614.00; and

WHEREAS, Holder has now requested approval of Change Order #10 pursuant to the terms of the Contract, which will decrease the GMP by \$352,722.00, for a new GMP value of \$192,352,892.00; and

WHEREAS, such GMP value decrease is due to a netting of credits and debits for certain scope and value additions to the Project; and

WHEREAS, Change Order #10 will not increase the overall budget for the Project and will not adjust the construction duration; and

WHEREAS, Change Order #10 will, when executed, will effectively be added to the Contract; and

WHEREAS, City staff and City consultants recommend that the PFA approve an increase in the GMP value, as described in the attached Change Order #10; and

WHEREAS, City staff and City consultants further recommend that the PFA authorize the City Manager, as General Manager of the PFA, to execute the attached Change Order #10; and

WHEREAS, the PFA desires to approve Change Order #10, as recommended by City staff and City consultants, and to authorize the City Manager to execute Change Order #10.

NOW, THEREFORE, BE IT RESOLVED by the City of Sandy Springs Public Facilities Authority, as follows:

1. A decrease to the GMP of \$352,722.00 for a total GMP of \$192,352,892.00, is hereby approved; and
2. The attached Change Order #10 is hereby approved; and
3. The City Manager, as General Manager of the PFA, is hereby authorized to execute the attached Change Order #10; and
4. The City Manager and the attorney for the PFA are hereby authorized to make such minor revisions to Change Order #10 as may be deemed reasonable, necessary, and in the best interest of the PFA prior to execution by the City Manager, and will promptly report any revisions to members of the PFA; and
5. The City Manager and the attorney for the PFA are hereby authorized to take such actions deemed necessary or prudent to effectuate the intent of this resolution.

RESOLVED this the 18th day of July, 2017.

Approved:

Russell K. Paul, Chairman

Attest:

Michael D. Casey, Secretary

(Seal)

ATTACHMENT
CHANGE ORDER #10

CHANGE ORDER

PROJECT NAME: **CITY OF SANDY SPRINGS, GA, CITY SPRINGS PROJECT (Formerly referred to as CITY CENTER PROJECT)**

OWNER: **CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY successor in interest to THE CITY OF SANDY SPRINGS, GEORGIA, by assignment**

CONSTRUCTION MANAGER: **HOLDER CONSTRUCTION GROUP, LLC**

DATE OF AGREEMENT: **JUNE 30, 2015**

DATE OF THIS CHANGE ORDER: **JULY 18, 2017**

CHANGE ORDER NUMBER: **010**

The Agreement between Owner and Construction Manager (the "Agreement") is changed as follows:

1. Pursuant to Sections 5.3 and 7.2 of the Agreement and Section 11.1.3 of the General Conditions, the Guaranteed Maximum Price and Contract Time are adjusted, as set forth in this Change Order, for the changes in the Work set forth in the following Bulletins and ASIs issued by Rosser International, Inc.:

-) ASI #043 dated 1/31/17
-) ASI #046 dated 2/6/17
-) ASI #047 dated 2/8/17
-) ASI #048 dated 2/9/17
-) ASI #050 dated 2/13/17
-) ASI #052 dated 2/17/17
-) ASI #053 dated 2/24/17
-) ASI #054 / #054.1 dated 2/28/17 and 4/28/17
-) ASI #055 dated 3/1/17
-) ASI #057 / #057.1 dated 3/3/17 and 3/8/17
-) ASI #058 dated 3/16/17
-) ASI #060 dated 3/13/17
-) ASI #062 dated 3/10/17
-) ASI #065 dated 3/15/17
-) ASI #066 dated 3/20/17
-) ASI #066.1 dated 3/23/17
-) ASI #069 / #069.1 / #069.2 dated 3/29/17
-) Bulletin #25 dated 4/17/17
-) Bulletin #25-R1 dated 5/8/17
-) ASI #072 dated 3/30/17
-) ASI #074 dated 4/5/17
-) ASI #075 dated 4/5/17
-) ASI #076 dated 4/6/17
-) ASI #079 dated 4/10/17
-) ASI #080 dated 4/14/17
-) Bulletin #27 dated 4/23/17
-) ASI #086 dated 5/19/17
-) Bulletin #31 dated 5/18/17

including other miscellaneous changes referenced in the COR's identified below.

The adjustments to the Guaranteed Maximum Price and Contract Time made by this Change Order are based upon the following COR's issued by Construction Manager. The COR's are identified herein for reference and to clarify the bases of the adjustments to the Guaranteed Maximum Price and Contract Time only and are not incorporated into the Contract and are not Contract Documents.

COR's and back-up 120, 122, 123, 129, 133, 141, 143, 144, 148, 152, 153, 154, 158, 159, 162, 164, 167, 171, 177, 178, 180, 183, 185, 187, 188, 189, 195, 196, 197, 198, 200, 203, 204, 205, 208, 211, 212, 214, 220, 223, 225, 226, 229, 230, 231, 240, 245, 248, 256, 263, 272, 278, 298, 302, 307, and 309.

The Owner and Construction Manager expressly acknowledge and agree that the changes in the Work and the adjustments to the Guaranteed Maximum Price made by this Change Order are subject to the clarifications and exclusions identified by the Construction Manager in each of the foregoing COR's.

2. The Owner and Construction Manager acknowledge the Owner's acceptance of the following Contingency Authorizations issued by the Construction Manager: COR 212, COR 225, CA-011, CA-023, and CA-037

Unless otherwise defined herein, all capitalized terms used in this Change Order shall have the meanings ascribed to them in the Agreement. Except as expressly changed herein, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

The Contract Time is hereby ~~increased~~~~decreased~~[unchanged] by the following number of calendar days: 0 days

The Construction Manager hereby waives and releases any claim it may have against the Owner for any adjustment in Contract Time resulting from, or related to, the change in this Change Order, except as agreed above.

The Contract Sum / GMP is hereby ~~increased~~~~decreased~~ by (\$352,722)

The Construction Manager hereby waives and releases any claim it may have against the Owner for any adjustment in the Contract Sum / GMP arising out of, or related to, the changes reflected in this Change Order, including, but not limited to, any claim for damages due to delay, disruption, hindrance, impact, interference, inefficiencies or extra work arising out of, resulting from, or related to, the change reflected in this Change Order, except as agreed to above.

Original Contract Sum / GMP: \$12,631,702.00

Net Change by Previous Change Orders: \$180,073,912.00

Contract Sum / GMP before this Change Order: \$192,705,614.00

Increase in this Change Order: (\$352,722)

Contract Sum / GMP, as adjusted by this Change Order: \$192,352,892.00

~~Increase~~~~Decrease~~ in Contract Time: 0 days

Upon execution of this Change Order by Owner and Construction Manager, the above referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order.

Owner

Construction Manager

By: _____

By: _____

Date: _____

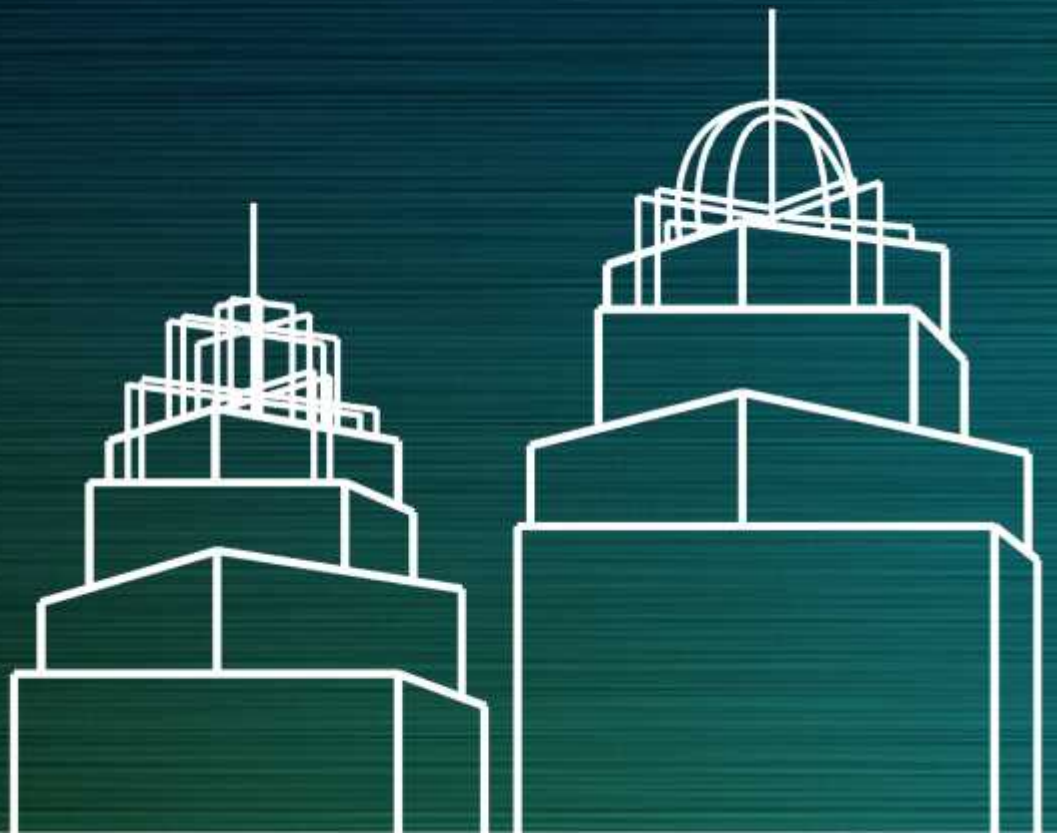
Date: _____

City Springs Update

June 18, 2017



SANDY SPRINGS
GEORGIA



Budget and Cost

- NO CHANGE TO OVERALL BUDGET
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Questions