



## **PUBLIC FACILITIES AUTHORITY**

Rusty Paul, Chairperson

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

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Tuesday, October 17, 2017

Public Facilities Authority

Following the Work Session

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

City Council Chambers

1. **PFA17-46 CALL TO ORDER** – Vice Chairperson Tibby DeJulio
2. **PFA17-47 ROLL CALL** – Secretary Michael Casey
3. **PFA17-48 APPROVAL OF MEETING AGENDA**

#### **NEW BUSINESS**

4. **PFA17-49** Approval of the minutes from the September 19, 2017 Public Facilities Authority meeting
5. **PFA17-50** Resolution to Increase the Guaranteed Maximum Price for Construction of the City Springs Project, as Established by Change Order #13 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 General Manager to Execute the Change Order (Change Order #13)  
*(Presented by John McDonough, General Manager)*
6. **PFA17-51 ADJOURNMENT**

# City Springs Update

October 13, 2017



**SANDY SPRINGS**  
GEORGIA



## Budget and Cost

- NO CHANGE TO OVERALL BUDGET
- Review of contingency
- Approval of Change Order 13

## Project Revenues

| Funding Sources            | Total Budget         | Funded through<br>8/31/2017 | 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          | \$7,074,666                 | \$1,925,334        |
| Use of Fund Balance        | \$5,000,000          | \$0                         | \$5,000,000        |
| Bond Issuance              | \$171,400,000        | \$171,400,000               | \$0                |
| Interest Income            | \$0                  | \$680,718                   | (\$680,718)        |
|                            | <b>\$222,712,000</b> | <b>\$221,467,384</b>        | <b>\$1,244,616</b> |

## Project Expenditures

| Cost Uses         | Total Budget         | Funded through<br>8/31/2017 | Balance to Fund     |
|-------------------|----------------------|-----------------------------|---------------------|
| Construction      | \$193,572,118        | \$127,399,234               | \$66,172,884        |
| Consulting        | \$17,175,808         | \$15,660,406                | \$1,515,403         |
| Special Costs     | \$10,945,260         | \$9,935,533                 | \$1,009,728         |
| Owner Contingency | \$1,018,814          | \$0                         | \$1,018,814         |
|                   | <b>\$222,712,000</b> | <b>\$152,995,172</b>        | <b>\$69,716,828</b> |

## Change Order 13

- Scope/value additions
  - PAC interior construction clarifications
  - Additional erosion control measures
  - Final exterior lighting design
  - Fire alarm coordination with private development
  - Utilities for appliances
  - Upgrade to dock lift
- No change to construction duration at this time
- Transfer of Contingency: \$315,920

## Pending Costs

|                          |                     |
|--------------------------|---------------------|
| Previous Contingency     | \$ 1,018,814        |
| Change Order 13          | \$ 315,920          |
| Pending Exposures        | <u>\$ 1,579,261</u> |
| Total Exposures          | \$ 1,895,181        |
| Net Contingency          | \$ (876,367)        |
| Construction Contingency | <u>\$ 647,135</u>   |
| Projected Contingency    | \$ (229,232)        |

## Schedule

| ACTIVITY DESCRIPTION                         | ESTIMATED DATE OF COMPLETION |
|----------------------------------------------|------------------------------|
|                                              |                              |
| <b><i>Performing Arts Center</i></b>         |                              |
| Certificate of Occupancy                     | Summer 2018                  |
|                                              |                              |
| <b><i>Office Building / Studio</i></b>       |                              |
| Certificate of Occupancy                     | Summer 2018                  |
|                                              |                              |
| <b><i>Park</i></b>                           |                              |
| Civic Roads/Hardscape Complete               | Winter 2017                  |
| Civic Final Plantings                        | Spring 2018                  |
|                                              |                              |
| <b><i>Private Development</i></b>            |                              |
| Private Development Roads/Hardscape Complete | Q1 2018                      |

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

## Amended Project Expenditures

| Cost Sources      | Total Budget         | Amended Budget       | Budget Change |
|-------------------|----------------------|----------------------|---------------|
| Construction      | \$193,572,118        | \$193,884,920        | \$312,802     |
| Consulting        | \$17,175,808         | \$17,175,808         | \$0           |
| Special Costs     | \$10,945,260         | \$10,945,260         | \$0           |
| Owner Contingency | \$1,018,814          | \$706,012            | (\$312,802)   |
|                   | <b>\$222,712,000</b> | <b>\$222,712,000</b> | <b>\$0</b>    |

# 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: October 12, 2017 for submission on the October 17, 2017 PFA Meeting agenda**

**ITEM: RESOLUTION TO INCREASE THE GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER #13 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 GENERAL MANAGER TO EXECUTE THE CHANGE ORDER**

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***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, 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.

On July 18, 2017, the PFA approved Change Order #10, which decreased the GMP by \$352,722.00, for a new GMP value of \$192,352,892.00.

On August 15, 2017, the PFA approved Change Order #11, which increased the GMP by \$273,195.00, for a new GMP value of \$192,626,087.00.

On September 19, 2017, the PFA approved Change Order #12, which increased the GMP by \$946,031.00, for a new GMP value of \$193,572,118.00.

Holder has now requested approval of Change Order #13, which will increase the GMP by \$312,802.00, for a new GMP value of \$193,884,920.00. This GMP value increase is for: performing arts center construction clarifications; additional erosion control measures; final exterior lighting design; fire alarm coordination with private development; utilities for appliances; and upgrade to dock lift; and

While the GMP value is increased by Change Order #13, the overall budget for the Project is not increased, and there is no adjustment to construction duration at this time.

When Change Order #13 is executed, the increase to the GMP will effectively be added to the Contract. A copy of Change Order #13 is attached to the Resolution.

***Recommendation:***

Project consultants and the General Manager recommend that the PFA approve an increase to the GMP value of \$312,802.00, for a new GMP value of \$193,884,920.00, and further recommend that the PFA authorize the General Manager to execute Change Order #13.

***Alternative:***

Reject the recommendation and provide further instruction to the General Manager and consultants.

***Attachments:***

Resolution with attached Change Order #13.

**STATE OF GEORGIA  
COUNTY OF FULTON**

**RESOLUTION TO INCREASE THE GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER #13 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 GENERAL 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**, on July 18, 2017, the PFA approved Change Order #10 which decreased the GMP by \$352,722.00, for a new GMP value of \$192,352,892.00; and

**WHEREAS**, on August 15, 2017, the PFA approved Change Order #11 which increased the GMP by \$273,195.00, for a new GMP value of \$192,626,087.00; and

**WHEREAS**, on September 19, 2017, the PFA approved Change Order #12 which increased the GMP by \$946,031.00, for a new GMP value of \$193,572,118.00; and

**RESOLUTION NO. 2017-\_\_\_\_\_**

**WHEREAS**, Holder has now requested approval of Change Order #13 pursuant to the terms of the Contract, which will increase the GMP by \$312,802.00, for a new GMP value of \$193,884,920.00; and

**WHEREAS**, such GMP value increase is for: performing arts center construction clarifications; additional erosion control measures; final exterior lighting design; fire alarm coordination with private development; utilities for appliances; and upgrade to dock lift; and

**WHEREAS**, Change Order #13 will not increase the overall budget for the Project and will not adjust the construction duration at this time; and

**WHEREAS**, Change Order #13, when executed, will effectively be added to the Contract; and

**WHEREAS**, Project consultants and the General Manager recommend that the PFA approve an increase in the GMP value, as described in the attached Change Order #13; and

**WHEREAS**, Project consultants and the General Manager further recommend that the PFA authorize the General Manager, to execute the attached Change Order #13; and

**WHEREAS**, the PFA desires to approve Change Order #13, as recommended, and to authorize the General Manager to execute Change Order #13.

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

1. An increase to the GMP of \$312,802.00 for a total GMP of \$193,884,920.00, is hereby approved;  
and
2. The attached Change Order #13 is hereby approved; and
3. The General Manager of the PFA is hereby authorized to execute the attached Change Order #13;  
and
4. The General Manager and the attorney for the PFA are hereby authorized to make such minor revisions to Change Order #13 as may be deemed reasonable, necessary, and in the best interest of the PFA prior to execution by the General Manager, and will promptly report any revisions to members of the PFA; and
5. The General 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 \_\_\_\_\_ day of October, 2017.

Approved:

\_\_\_\_\_  
Russell K. Paul, Chairman

Attest:

\_\_\_\_\_  
Michael D. Casey, Secretary

(Seal)

**ATTACHMENT**  
**CHANGE ORDER #13**

## **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:**        **OCTOBER 17, 2017**

**CHANGE ORDER NUMBER:**    **013**

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 #098 dated 7/11/17
- ) Bulletin #40 dated 8/14/17
- ) Bulletin #41 and ASI #104 dated 8/21/17

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 150, 218, 264, 266, 310, 314, 319, 322, 333, 342, 344, 358, 361, 362, 378, 382, 392, 393, 397, 399, 407, 411, 412, and 456

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 150, CA-009, CA-035, CA-036, CA-038, CA-050

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 \$312,802.00

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: \$179,721,190.00

Contract Sum / GMP before this Change Order: \$193,572,118.00

Increase in this Change Order: \$312,802.00

Contract Sum / GMP, as adjusted by this Change Order: \$193,884,920.00

~~[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:** \_\_\_\_\_