

To the Mayor and Members of the City Council**May 19, 2015**

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**SUBJECT: UPDATE TO M&C C-27180 CONSTRUCTION MANAGER AT RISK AGREEMENT WITH THE FAIN GROUP, INC., FOR GATEWAY PARK EAST REDEVELOPMENT PROJECT, ESTABLISHMENT OF GUARANTEED MAXIMUM PRICE**

The purpose of this Informal Report is to inform the City Council of the results of negotiations with the Construction Manager at Risk ("CMAR") for the Gateway Park East Redevelopment Project.

The City Council authorized M&C C-27180 on February 3, 2015, for improvements to Gateway Park East which included \$25,000.00 for pre-construction services and a 6% construction management fee within the overall construction budget of \$2,045,641.93. At that time, the Guaranteed Maximum Price ("GMP") had not been established by the CMAR, The Fain Group, Inc. The project budget was expected to be \$1,943,359.93 with the City retaining \$102,282.00 for contingencies.

Over the past several weeks, staff and the CMAR have negotiated the GMP. During this process, additional project features, such as expanded parking and an observation deck, were added to the project with the funding coming from the City's contingency. As a result, the project budget allowable to the CMAR increased.

Staff is pleased to present the results of the GMP negotiation. The Fain Group, Inc. will construct the project for the GMP of \$2,020,641.93. This amount includes a contingency of \$40,983.83 which is reserved for the contractor's use only in the event difficult soil conditions are encountered for the piers related to the added observation deck. Should the CMAR not incur those types of additional costs, the contingency will revert to the City and be used at the end of the project, for additional park amenities.

The overall construction budget has been met when the pre-construction fee is added to it. Since this project is funded by state grant funds, it is imperative to spend as close to the full amount as is possible. This project is scheduled for completion December 31, 2015.

If you have any questions about this IR, please contact Richard Zavala, Director – Parks and Community Services Department at (817) 392-5704.

David Cooke
City Manager