

To the Mayor and Members of the City Council**June 5, 2018**

Page 1 of 1

**SUBJECT: GOLDEN TRIANGLE BRANCH LIBRARY CONSTRUCTION UPDATE**

The purpose of this informal report is to provide an update for the on-going construction of the Golden Triangle Branch Library. The library was approved as part of the 2014 Bond Program. The bond referendum also included the provision for a municipal court presence in the facility. Three and a half acres of land was acquired in September 2015 at 4264 Golden Triangle Boulevard, near the intersection with North Beach Street. After design of the building was completed, a competitive sealed proposal selection process was used to find the contractor that presented the best value proposal. After evaluating the published criteria, a construction contract was awarded to Denco CS Corporation. A Notice to Proceed was issued on August 14, 2017. The contractor's proposal had a construction completion duration of 300 days, so the original contract completion date was June 10, 2018.

The contractor has experienced many delays during the construction process, almost all of which are attributable to the contractor. To date, the City has agreed to extend the contract by 27 days for excusable delays, extending the contract completion date to July 7, 2018. The physical construction is approximately 40% complete, but over 90% of the contract time has already elapsed. The contractor is now projecting a completion date of January 1, 2019. Inspections by City staff have found less than quality work being performed on multiple occasions, which has required the contractor to redo work and call for additional inspections before passing and moving on to the next phase of construction. The contractor has gone through several site superintendents, further delaying progress with a learning curve of each individual impacting the efficiency of work as transitions occur.

The Property Management Department (PMD) has been working closely with Legal and Library Department's staff on strategies to either improve contractor performance or terminate the contractor and bring in the surety company to complete the project. Terminating a contractor and having the surety company take over the project can be a complicated, time-consuming process that can shut the project down for six months or more. The current preferred option is to work with the current contractor and get the project back on track as much as possible.

Staff have held regular progress meetings with the contractor, augmented by additional meetings with their corporate president to express concerns and demand actions to correct the performance. Numerous e-mails and formal show-cause letters have been exchanged with the contractor. The surety company has been included in the show-cause letters to put them on notice that their client is facing the very real possibility of termination for cause. These actions have seemed to have resulted in improved performance over the last month.

Staff will continue to monitor progress of the project very carefully, if issues arise, termination of the current construction contractor may be the next recommended course of action. If you have any questions, please contact Steve Cooke, Property Management Department Director, at 817-392-5134.

David Cooke
City Manager