

**CITY OF PEORIA, ARIZONA
COUNCIL COMMUNICATIONS**

cc: LOR
Amend No. _____

Date prepared: February 29, 2008

Council Meeting Date: March 18, 2008

TO: Terry Ellis, City Manager

FROM: David A. Moody, P. E., Engineering Director

THROUGH: Dan Nissen, P. E., Assistant City Engineer

PREPARED BY: Geoffrey Zinnecker, P. E., Civil Engineer

SUBJECT: Approve Contract Amendment No. 2, with FNF Construction, Inc. for Construction Manager at Risk services (GMP #2) for the initial construction phase of the Thunderbird Road project from the Loop 101 to 94th Drive. (Engineering Project No. P-0505, Solicitation No. P07-0083. LCON 06207B)

RECOMMENDATION:

That Mayor and Council approve Contract Amendment No. 2, Guaranteed Maximum Price No. 2 (GMP #2), with FNF Construction, Inc. in the amount not to exceed \$2,153,059.66, for Construction Manager at Risk services for the initial construction phase of the Thunderbird Road project from the Loop 101 to 94th Drive. This GMP #2 includes constructing the portion of Thunderbird Road between New River bridge and Loop 101 that is being paid for by Gray Development for the Triana Park development.

Although the Triana Park off-site improvements will be constructed by the City under this contract, per agreement (ACON No. 10108), the developer will pay for the improvements out of an escrow account established for this purpose. Budgetary authority in the amount of \$1,500,000 is available in the Thunderbird Road Project Outside Sources Fund Street System Account 4810-4810-543001-CIPST-EN00011CO. To provide the additional budgetary authority needed for this contract, staff recommends approval of a budget transfer in the amount of \$653,059.66 from the General Fund Contingency Account 1000-0300-570000 to the Outside Sources Fund Street System Account 4810-4810-543001-CIPST-EN00011CO.

CITY CLERK USE ONLY:

- Consent Agenda
- Carry Over to Date: _____
- Approved
- Unfinished Business (Date heard previous: _____)
- New Business
- Public Hearing: No Action Taken

ORD. # _____ RES. # _____
LCON# 06207B BIC. # _____
Action Date: _____

SUMMARY:

The projected growth of traffic volume combined with the current background volume will cause the level of service on Thunderbird Road to diminish. The Northwest Valley Transportation Study and the Peoria Transportation Needs Study recommended widening Thunderbird Road to six lanes between the Loop 101 and 94th Drive. The City is in the final design process for Thunderbird Road Widening. The design is at the 100% level. The completion of this project is critical for the City's transportation needs in the rapidly developing Thunderbird Road corridor.

The contract with FNF as the Construction Manager at Risk (CM@R) contractor is being approved in phases. The use of the CM@R process enables the City and the contractor to break the project into separate segments, each with its own Guaranteed Maximum Price (GMP), in order to build the project in the most logical and economical way. Each GMP has been and will be submitted to Council for approval.

Contract Amendment No. 2

Gray Development is responsible to construct certain off-site improvements as part of the Triana Park development. The Triana Park development is a large project that will be constructed south of Thunderbird Road between the Loop 101 and the New River. The project will include a large number of dwelling units and mixed commercial development will be built.

Instead of having the City's contractor and Gray Development's contractor simultaneously constructing improvements on Thunderbird Road, the City's contractor has submitted a proposal to construct the Gray Development off-site improvements. Gray Development has agreed to pay for all costs associated with the proposal, GMP #2.

Triana Park is anticipated to generate an increase in traffic volumes on Thunderbird Road. In order to accommodate the projected traffic increase, Gray Development is responsible to construct an extra turning lane along the west bound lanes on Thunderbird Road from 88th Avenue west to the end of the New River Bridge, and deceleration and turning lanes along the Triana Park frontage (See Exhibit A). All improvements located south of the Thunderbird Road back of curb will be constructed by Gray Development. These improvements include sidewalks, street lights, and landscaping.

FNF submitted a proposal in the amount of \$2,153,059.66, to construct the Gray Development (Triana Park) off-site improvements. The price breakdown of the proposal is provided below:

Construct a wider bridge and extra turning lane	\$1,494,503.89
Construct deceleration and turning lanes	\$ 658,555.77
Total cost of GMP #2	\$2,153,059.66

These costs include contingency funds that will be returned to Gray Development at the end of the job if they are not required.

Council Communication
CM@R Contract Amendment No. 2
Thunderbird Road Widening – 94th Ave. to the Loop 101
March 18, 2008
Page: 3

A summary of the contract and contract amendments approved by Council to date is provided below:

Phase 1 – CM@R Pre-Construction Services

On July 10, 2007 Council awarded a pre-construction services contract to FNF Construction in the amount of \$134,280. It consisted of pre-construction services including assistance during the review of the construction documents and development of all GMPs.

Contract Amendment No. 1

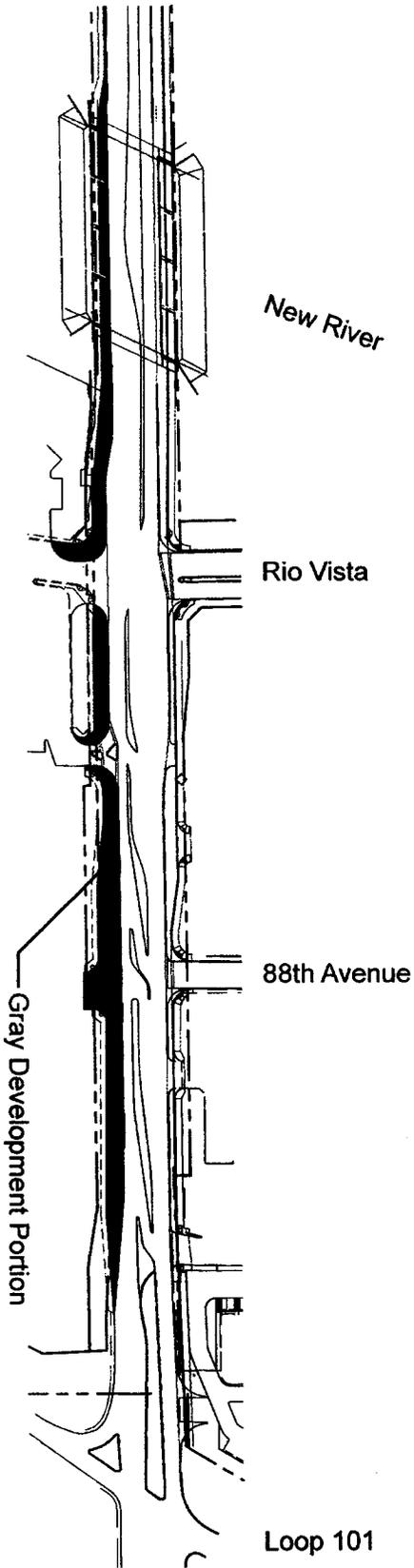
On September 12, 2007, Council awarded Contract Amendment No. 1 (GMP#1) to FNF Construction in the amount of \$4,839,211.10 for ordering the bridge girders, construction of the bridge widening over the New River, construction of the parking lot located west of Dillon's which will replace the parking spaces in front of Dillon's to be eliminated as a result of the street widening, the north side access road connecting the parking lot to Ludlow Drive, and includes costs associated with contingencies, general conditions, overhead, insurance and bonds.

A summary of the revised FNF Construction contract amount is provided below:

Pre-Construction Services Contract:	\$ 134,280.00
Contract Amendment No. 1 (GMP#1):	\$4,839,211.10
Contract Amendment No. 2 (GMP#2):	<u>\$2,153,059.66</u>
Revised Contract Amount:	\$7,126,550.76

ATTACHMENT:

Exhibit A



Thunderbird Road Improvements
94th to Loop 101

URS

EXHIBIT A

placeholder



CONTRACT AMENDMENT Change Order

Materials Management
Procurement
8314 W. Cinnabar Ave.
Peoria, AZ 85345
Telephone: (623) 773-7115
Fax: (623) 773-7118
Buyer: Jennifer Miller

Solicitation No.: P07-0083 Page 1 of
Amendment No.: Two (2) Date: March 10, 2008

Project No.: P-0505 Agreement Date: July 19, 2007
Project Description: Thunderbird Road Widening Project Completion Date:
Change Order Type: Owner Initiated Errors & Omissions Unknown Conditions Phased Award

The changes as shown on the attached sheet are hereby made to the contract.

Contract Price Change:

Original Contract Price:	\$134,280.00
Total of previous change orders:	4,839,211.10
Original contract price plus previous change order(s):	4,973,349.10
The contract price due to this change order will be increased by:	\$2,153,059.66
The new contract price including this change order will be:	\$7,126,408.76

Contract Time Change:

The contract time will be increased by _____ days.
The new date for completion of all work will be See attached schedule

Contractor hereby acknowledges receipt and agreement. A signed copy shall be filed with the City of Peoria, Materials Management Division.

Signature	Date	Lee Hulbert, P.E., Project Manager	FNF Construction, Inc.
115 South 48 th Street	Tempe	AZ	85281
Address	City	State	Zip Code

Attested By:

Mary Jo Kief, City Clerk

20R 031408
CC Number

LCON06207B
Contract Number

City Seal
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Official File

Department: Dan Nissen, Assistant City Engineer

Buyer: Jennifer Miller, Contract Officer

Approved By: Herman F. Koebergen, Materials Manager

Approved as to Form: Stephen M. Kemp, City Attorney
The above referenced Contract Amendment is hereby Executed
_____, _____, at Peoria, Arizona

Terrence L. Ellis, City Manager