



June 28, 2010

MEMORANDUM

TO: District Board of Trustees

FROM: Barbara R. Sloan, President

SUBJECT: Adjustment to Guaranteed Maximum Price - Ghazvini Center for Healthcare Education

Item Description:

This item describes the need to adjust the Guaranteed Maximum Price for the Ghazvini Center of Healthcare Education.

Overview:

The project was originally slated for design to be completed in 2007, with construction completed in early 2010. However, due to the issues related to the lease of the property with the City of Tallahassee and Tallahassee Memorial Hospital and the lack of the total funding to begin construction, the project was delayed. With the approval of additional funding by the Legislature, it was decided to proceed with the project in three phases. These phases included the following: Phase I - Surgeons Drive Construction; Phase II - TMH Employees Replacement Parking Lot; and Phase III - Ghazvini Center for Healthcare Education Building. Construction documents were completed by the architect in January 2009 and the bids were received in March 2009.

Salient Facts:

As part of the Guaranteed Maximum Price for the total project, the construction manager included \$488,870 for possible changes in scope for the project that was not incorporated in the construction documents. In addition, the Department of Education, Office of Facilities, had not completed their review of the drawings for code compliance for Life Safety, Civil, Architectural, Electrical, and Mechanical systems. The construction manager included an additional \$275,000 to cover any potential costs associated with these reviews. Thus, included in the GMP was a total of \$763,870.

Architectural Supplement Instruction #1 was issued on August 3, 2009 and included changes to all of the project drawings. All of the trade contractors, design professionals, and the construction manager have worked to reduce the cost and scope of the changes associated with ASI #1. The final cost of all of the associated changes is \$1,247,214.70. Considering the amount included in the GMP of \$763,870, there is a need to adjust the GMP by \$483,344.70. All costs have been reviewed to insure the best value to the College has been received.

Delaying the project until all of the funding was received could potentially cost more since the timing for bidding was advantageous to the project. The cost estimate presented by the construction manager in December 2008 was \$28,309,135. In addition, this delay would have the potential of delaying the completion of the building by eight months or more from the current schedule of April 2011.

Past Actions:

The District Board of Trustees has approved the Guaranteed Maximum Price for all phases of the Ghazvini Center for Healthcare Education.

Future Actions:

The District Board of Trustees will be asked to approve the equipment purchases that exceed the approval threshold of the President.

Funding/Financial Matters:

The funds required for this adjustment exist in the funds appropriated for the Ghazvini Center for Healthcare Education project by the Legislature to date.

Staff Resource:

Teresa Smith

Recommended Action:

Approve the adjustment to the Guaranteed Maximum Price for the Ghazvini Center for Healthcare Education project in the amount of \$483,344.70 to Culpepper/Baycrest.



A JOINT VENTURE

June 2, 2010

Tony Stallworth
Tallahassee Community College
444 Appleyard Drive
Tallahassee, Florida 32304

RE: TCC Ghazvini Center for Health Education
Architectural Supplement Instruction #1, August 3, 2009

Dear Tony,

To clearly understand Architectural Supplemental Instruction number one and the project team's methodology, it's important to revisit the overall project historic timeline. In the initial design stage of the project (2007), the project's planned completion date was early 2010. However, due to property issues and funding constraints, the project was substantially delayed. In the late summer of 2008, a funding plan was established and the team was directed to earnestly move forward with the project, culminating by the completion of the 100% Construction Documents on January 30, 2009.

These Construction Documents became the basis of the Guaranteed Maximum Price issued on March 31, 2009, revised on April 30, 2009 and revised a final time on May 27, 2009. These revisions incorporated consideration totaling \$488,870 for anticipated changes in scope that were not incorporated into the construction documents. Additionally, an allowance of \$275,000.00 was included for anticipated "code comment" changes, due to the fact that the Department of Education had not completed their review of all issues concerning Life Safety, Civil, Architectural, and M.E.P systems. The total consideration included in the GMP above the design scope within the documents total \$763,870.

Architectural Supplement Instruction #1, was issued on August 3, 2009 and consisted on essentially a reprinting of all the project drawings, impacting virtually all trade contractors. We've spent hundreds of man-hours reviewing the impact of this ASI with the trade contractors and design professionals. Additionally, the CM, Design Team, and TCC worked to reduce the scope and cost associated with this ASI.

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Tony Stallworth
Tallahassee Community College
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The final impact of the ASI, incorporating both originally anticipated and unanticipated scope modifications, is \$1,247,214.70. A difference of \$483,344.70 from the allowances that were included in the GMP for these items. Again, all costs have been reviewed in detail with the trades, design professionals, and your representative to ensure the best value was obtained. Had the project been delayed, and the trade bids not received until after these revisions were incorporated (August 2009), the overall project cost would have been the same (or higher, due to extended overhead and administrative costs) and the project would have commenced and been completed 8 months later than our current construction schedule.

Sincerely,

CULPEPPER CONSTRUCTION / BAYCREST, A JOINT VENTURE



Scott Knox
Senior Project Manager