



Overview of Station Square Project Cost Adjustments for IBI Group

SPECIAL MEETING OF THE MONROVIA CITY COUNCIL

APRIL 10, 2015

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IBI Contract Background

- Initial contract with IBI Group to design and manage the overall Station Square Project was approved on May 7, 2013
 - The hourly services agreement included planning, design, architectural, engineering, and construction management expenses
 - The agreement was executed on May 23, 2013 and an initial notice to proceed was issued to IBI Group on June 12, 2013
- The contract with IBI Group was for a total of \$2.988 million, broken down into the following three components:

▪ A&E Design Services:	\$2,453,111
▪ Construction Management Costs:	\$453,860
▪ <u>Direct Expenses:</u>	<u>\$81,394</u>
▪ TOTAL:	\$2,988,365

Station Square Project Development Process

- Like all initiatives coordinated by the City, the overall Station Square project was developed under the direction of the City Manager's Office
- As staff began working with IBI Group to execute the Station Square initiative, two distinct phases of the project evolved
 - The first phase related to the conceptual design of the Station Square project
 - This effort was coordinated and led by the Community Development Department
 - The second phase related to the final design (development of construction docs) and construction of the Station Square project
 - This effort was coordinated and led by the Public Works Department

Phase 1: Conceptual Design


- As part of the Station Square conceptual design process, numerous study session meetings were coordinated by the Community Development Department to review project parameters with the City Council
- Five (5) Study Sessions were coordinated for the City Council regarding the conceptual design of Station Square
 - August 6, 2013
 - Discussed Station Square design objectives, sustainability principles, project schedule, project components, and project outreach
 - October 1, 2013
 - Discussed Station Square project funding sources, preliminary design standards, and public outreach efforts
 - November 5, 2013
 - Discussed results of Station Square outreach efforts, reviewed public input, viewed play areas, and analyzed maintenance costs
 - December 3, 2013
 - Reviewed overall conceptual design of the Station Square project
 - January 7, 2014
 - Reviewed updated Station Square project design components

Phase 2: Final Design / Construction

- After the final conceptual design study session that was held with the City Council on January 7, 2014, the Public Works Department assumed responsibility for developing the final design and construction of the Station Square project
- The City's former Public Works Director requested / issued three (3) written notices to proceed for IBI Group to perform additional work at the hourly rates that had been approved by the City Council in the original professional services agreement
 - These written notices to proceed were issued on January 29, 2014; July 8, 2014; and September 24, 2014
 - The total cost for the additional work that was authorized amounted to a net increase of \$447,765
- Staff has verified that IBI Group was directed by staff to perform the additional work, that the work exceeded the scope of the original IBI Group contract, and that the requested work was completed by IBI Group

Final Design / Construction Notices to Proceed

City of MONROVIA 1887



January 29, 2014

David Chow, Director
IBI Group
1805 Wilshire Boulevard, Suite 1800
Los Angeles, CA 90017

NOTICE TO PROCEED WITH THE CONSTRUCTION DOCUMENTS

Dear Mr. Chow,

You are hereby authorized to proceed with the above mentioned work in accordance with our Professional Services Agreement dated May 23, 2013. The key task assignments that will be accomplished during the Construction Documents phase for the Monrovia Station Station project include:

- Prepare Construction Documents based on the accepted Design Development documents. The approved project element cost estimates/budgets and the project schedule are project planning requirements.
- Incorporate the improvements for each Project Element that have been selected by the City in the Construction Documents.
- Prepare Contract Documents, Bid Plans and Specifications to allow the labor, material, equipment and/or work to be furnished and performed by Contractor.
- Identify and describe all necessary quality levels and applicable quality control procedures in the Plans and Specifications.
- Provide a construction-taking schedule for the construction work, which will minimize disruption to City residents and also correlate with work being completed by GLDA, other related City Improvement projects and adjacent development projects. Coordinate with the City in the preparation of a Construction-Takeover Plan.
- Submit Construction Documents for City review at the 50% and 90% completion stage. Modify the plans and specifications in accordance with any final review comments and issue an Action Memo to identify action taken in response to all comments.

415 South Ivy Avenue • Monrovia, California 91016-2888 • (626) 922-2329 • FAX (626) 922-2820

Notice to Proceed Letter
January 29, 2014
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See check and final sign-off

Construction documents

is with the City's designated CDDA and CDD Review and 50% of the final plans and

if for the tasks that are were in Phase 4

City of MONROVIA 1887



July 8, 2014

David Chow, Director
IBI Group
310 West 67th Street, Suite 600
Los Angeles, CA 90017

NTP AS BID PHASE SUPPORT AND CM SUPPORT SERVICES

Dear Mr. Chow,

You are hereby authorized to proceed with the above mentioned work in accordance with our Professional Services Agreement dated May 23, 2013. The key task assignments that will be accomplished include:

IBI Phase Support/ Bidder's Support

- Manage the construction bid process.
- Provide support for:
 - Preparation of bid packages
 - Review of Bids
 - Response to bidder questions
 - Issue addendums
- Advise City on Conditions of Bids to project documents.
- Assist City in selection of qualified contractors.

CM Support Services Overview

- GENERAL:**
 - Provide the City and Project Team with the ongoing status of Construction Management activities.
 - Develop a tactical construction plan including construction interface requirements.
 - Administer construction contracts.
 - Monitor, coordinate, assess Contractor schedules and provide direction, as required, for integrating the Contractor's activities.
 - Provide quality assurance/oversight and onsite inspection functions involving both on-site and remote services during construction.

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City of MONROVIA 1887



September 24, 2014

David Chow, Director
IBI Group
310 West 67th Street, Suite 600
Los Angeles, CA 90017

NTP AS POST DESIGN SERVICE (CONSTRUCTION PHASE SUPPORT)

Dear Mr. Chow,

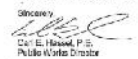
You are hereby authorized to proceed with the above mentioned work in accordance with our Professional Services Agreement dated May 23, 2013. The key task assignments that will be accomplished include:

Post Design Services (Construction Phase Support)

- Manage the overall administration of the construction contracts. This may include, but is not limited to: monitoring work of contractors, analyzing performance, site tracking and financial requirements such as General NPDES Permit Compliance, maintaining bid/contract status in the project during construction, receiving and disseminating all communications in timely fashion, planning program needs to, implementing adjustments in network, understanding quality control and quality assurance standards.
- Provide substantial inspection and document support to the City in compliance with the City's existing Federal, State and GLCA funding agreements and documents provided by the design team must be in concert with GLDA's and NTP/SD's requirements for reimbursement. This includes the submission of a Form 101.
- Assist the City with the construction management and provide inspection services.

In addition, we are in receipt of the fee schedule that includes the fee distribution for NTP #1, NTP #2, NTP #3, NTP #4, NTP #5, NTP #6 and the Release of fee remaining.

Please call me at (626) 922-6644 if you have any questions.

Sincerely,

 David Chow, P.E.
 Public Works Director

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Notice to Proceed Letter
September 24, 2014
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Additional Work Requested Beyond Initial Scope

- It is important to note that the additional work that was requested of IBI Group was staff's understanding and interpretation of City Council discussion / direction from the conceptual design study sessions
 - It was not the intention of staff to unilaterally implement Station Square project components
- Based on the notices to proceed that were issued, the expanded scope of IBI Group's design work included 16 specific architectural / engineering / design components at a total cost of \$503,221
 - These overall costs were offset by a projected decrease in base construction management costs of \$55,456
 - This resulted in an overall net increase in IBI Group costs of \$447,765

Additional Work Items / Costs

ITEM NO.	ITEM DESCRIPTION	COST
1	Plan Check / CM	\$ 128,003
2	Stage / Canopy & Restroom Structure	\$ 124,193
3	Outreach	\$ 81,675
4	Park & Ride Lot Re-Design	\$ 43,820
5	Fountain Design	\$ 24,438
6	Parking Structure Treatment	\$ 19,398
7	ADL Survey	\$ 18,500
8	Dry Utilities Coordination	\$ 14,153
9	Peck Road Cul-de-Sac	\$ 11,102
10	Primrose Electrical Undergrounding	\$ 10,556
11	Freeway Stormwater (CalTrans)	\$ 9,564
12	Peck Road Signalization	\$ 7,319
13	Hamby Park Sewer Lateral	\$ 4,779
14	Utility Staking	\$ 3,134
15	Topo	\$ 1,707
16	Percolation Testing	\$ 880
TOTAL		\$ 503,221
Base Construction Management Cost Decrease		\$ (55,456)
TOTAL NET COST INCREASE		\$ 447,765

Process Breakdowns

- As staff has analyzed this overall issue, there were certainly a number of process breakdowns that led to the initiation of additional work beyond the scope of what was approved by the City Council
- It would be fair to characterize this overall situation as lacking effective staff management and oversight of the work being performed by IBI Group for the Station Square project
 - Upon completion of the conceptual design phase, staff should have verified via formal City Council approval the overall design parameters for the Station Square project
 - Furthermore, staff should have analyzed and informed the City Council as to what the design parameters selected would cost to implement, and the additional net increase of \$447,765 in work performed by IBI Group should not have been authorized without formal City Council approval
 - Finally, once it was discovered that this large amount of additional work was necessary, staff should have brought this item forward for City Council approval before issuance of the notice to proceed because the total amount exceeded 10% of the original contract amount

City Council Notification

- On October 21, 2014, staff coordinated a study session with the City Council to provide an update regarding the Station Square project
 - At that workshop, staff notified the City Council that additional design work in the amount of \$289,558 had been assumed as part of the Station Square project
 - In the presentation, it was noted that the additional design work was for amphitheater / restroom construction drawings, public outreach, and construction materials testing
- Over the course of the next several months, as staff continued to analyze this issue, it was determined that the actual scope of work that was authorized amounted to a net increase of \$447,765

October 21, 2014 Workshop Slides

Station Square Costs

1. Off-site Package	\$10,964,738
2. Station Square Package	\$ 6,570,771
3. IBI Design Contract	\$ 2,988,367
4. Administrative Expenses	\$ 678,199
5. Additional Design Work	\$ 289,558
Total	\$21,491,633

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Additional Design Work

1. Amphitheater/Restroom Construction Drawings	
2. Public Outreach	
3. Construction Materials Testing	
Total	\$ 289,558*

* Funding in Place from initial Non-City allocations

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Additional IBI Group Work Recommended

- Outside of the net increase of \$447,765 in added work that IBI Group has already performed, there is additional engineering / design work recommended for the Station Square project
- As is articulated in the staff report, the construction plans for the Station Square project were bid out prematurely
 - Estimates by City staff place the construction plans at around 65% completion when the Station Square project was formally released for bid
- Given this situation, it has been and will continue to be necessary to perform additional project engineering / design work
 - Staff has estimated that the additional IBI Group related costs for the engineering / design work needed to complete the Station Square project will be \$160,000
 - Staff believes the additional work is necessary, and pending City Council approval, this additional project design work will be authorized

Additional IBI Group Work Components

Additional Project Component	Cost
Electrical Conduit for Future SCE Transformer at Historic Depot	\$ 10,761
Lighting for GLCA Rock Sculpture	\$ 3,930
Duarte / Walker Left Turn Lane	\$ 17,700
Off-Site Pavement Changes	\$ 19,145
California Median Revisions & Turn Lanes	\$ 20,000
Other A&E	\$ 50,000
Revision Allowance	\$ 38,464
TOTAL ADDITIONAL IBI PROJECT COSTS	\$ 160,000

Proposed IBI Group Contract Adjustment Overview

- Based on IBI Group’s original contract, the additional work that was authorized by staff, and the additional work that is now recommended, the overall IBI Group adjustments would result in the following contract costs:

▪ Original IBI Group Contract:	\$2,988,365
▪ Staff Authorized Work:	\$447,765
▪ Additional Recommended Work:	\$160,000
▪ <u>Contingency Amount:</u>	<u>\$42,235</u>
▪ TOTAL:	\$3,638,365

Internal Process Improvements Implemented

- During the past several months, as staff has analyzed the process breakdowns associated with the overall Station Square project, a number of changes have been implemented
 - Internal contract monitoring / project compliance processes have been improved
 - City engineering operations have been contracted out
 - Significant management staffing changes have occurred

Overall Station Square Project Budget Impact

- Based on our current Station Square project budget, funding is available to pay for the recommended IBI Group contract adjustments
- The overall Station Square project budget includes \$24.1 million in available funding, and current City Council approved project expenses total \$21.2 million
 - This means that the overall project still has \$2.9 million in funding available for eligible Station Square related costs
- Based on our current plans, staff would recommend that the City reserve funding in the following amounts for the below listed project components:

▪ Historic Depot Rehabilitation:	\$1,500,000
▪ <u>IBI Group Adjustments:</u>	<u>\$650,000</u>
▪ TOTAL:	\$2,150,000

Station Square Project Budget Detailed Overview

Station Square Transit Village	
Project Budget Overview	
Funding Sources	
GLCA Funds	\$ 15,750,000
5309 Funds	\$ 5,464,732
Measure R Funds	\$ 1,300,000
Urban Greening Grant	\$ 995,000
Proposition C Funds	\$ 600,000
TOTAL FUNDING SOURCES	\$ 24,109,732
Approved Project Costs	
M.S. Construction	\$ 6,570,771
Griffith Construction	\$ 10,964,738
IBI Design / Engineering / CM Contract	\$ 2,988,367
Utility Relocation	\$ 316,384
Metro Admin Fee	\$ 368,027
TOTAL APPROVED PROJECT COSTS	\$ 21,208,287

Station Square Project Budget Detailed Overview

Current Projected Available Project Funding	
Total Funding	\$ 24,109,732
Total Current Costs	\$ (21,208,287)
TOTAL FUNDS REMAINING	\$ 2,901,445
Additional Recommended Project Costs	
Historic Depot	\$ 1,500,000
IBI Change Order	\$ 650,000
TOTAL ADDITIONAL COSTS	\$ 2,150,000
Projected Remaining Project Funding	
Total Funding	\$ 24,109,732
Total Current Costs	\$ (21,208,287)
Total Additional Costs	\$ (2,150,000)
TOTAL REMAINING FUNDS	\$ 751,445

Staff Recommendation

- Staff recommends that the City Council take the following action:
 - Authorize staff to expend an additional amount not to exceed \$650,000 with IBI Group for Station Square related design, engineering, and project management costs