

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: October 26, 2015
	Agenda Item No. MHGB3 Roll Call No. <u>15-1751</u> Communication No. <u>15-563</u> Submitted by: Jackie J. Lloyd, Interim Housing Services Director

AGENDA HEADING:

Approving change orders with Koester Construction Company for additional work at Royal View Manor modernization project.

SYNOPSIS:

Recommend approval of change orders #2 through #8 in an amount not to exceed \$305,356.63 with Koester Construction Company, Paul Koester, President, 3050 S.E. Enterprise Drive, Grimes, IA, for additional work on the modernization project for Royal View Manor at 1101 Crocker Street.

FISCAL IMPACT:

Amount: \$305,356.63

Funding Source: S350 HS121000-Disposed Homes Pg. 116

ADDITIONAL INFORMATION:

The contract for the Royal View Manor modernization project was awarded to Koester Construction Company in the amount of \$1,453,800 at the Governing Board meeting of March 9, 2015. Building permits were issued June 8, 2015 and construction started on site on August 4, 2015.

Royal View Manor is a 9-story high-rise apartment building with a total of 200 dwelling units, a community room, laundry facilities and staff offices. The building was constructed in 1973 and the total square footage is approximately 144,000-square-feet.

The property has not been remodeled or updated for a number of years. Previous modernization was accomplished in 1998/1999 which included interior drywall repairs, painting and replacing flooring in the common areas and hallways. In 2010 a heating/cooling pipe replacement was done to upgrade the black iron piping to copper piping.

The currently approved modernization contract includes installing new apartment doors; updating the hallways with LED lighting, new flooring and paint in the common areas and hallways; new security entrance doors; entrance and parking enhancements off of 12th Street; entrance enhancements and resurfacing of the resident parking lot off of Crocker Street; relocation and remodeling of the staff offices on the first floor to include installation of geothermal heating; and relocation of the community room space.

As work has progressed, additional work was determined to be necessary by the Housing Agency during the City permit and inspection review processes and delay costs were incurred by the contractor due to the supplemental work determined necessary. Koester Construction has now submitted these changes orders for consideration and approval. Staff has reviewed these and has obtained supporting documentation to justify the costs associated with the change orders.

The major items included in these change orders are additional landscaping requirements to include: additional trees, chain link fencing, footing and slab replacement, new signage, drywall repair, painting of elevator doors, construction delay costs, intumescent paint at the building entrance, revised hardware for the west entry doors to include wiring for card reader entry system, revisions to the existing laundry room plans; mechanical room (geo thermal system) layout revisions, owner requested hardware changes for apartment entry doors, and first floor fire code updates.

Change order #2: is for additional General Contractor construction delay costs outside of the general conditions of the contract and totals \$18,120.00

Change order #3: is for additional door hardware for the west entry door to include wiring for card reader entry system and motion detector and painting of the elevator doors (18 doors) and totals \$15,915.48.

Change order #4: is for additional landscaping requirements to include additional trees at the new parking lot and footing and slab replacements and totals \$27,933.56.

Change order #5: is for additional dry wall repairs in the common areas and hallways and totals not to exceed \$24,038.60. These repairs have not been accomplished since 1998.

Change order #6: is for additional door hardware changes for common area doors (24 doors) and owner requested hardware changes (door closures) to the apartment entry doors (190) to decrease door closure maintenance and totals not to exceed \$21,343.84.

Change order #7: is for sprayed on fire proofing and fire chalking on the first floor (joists and floor support system for second floor) to meet fire code requirements and totals \$182,212.80.

Change order #8: is for miscellaneous items to include build out at exiting soil stack, new ceiling in resident computer room and mechanical room (geo thermal system) layout revisions and ductwork design revisions and totals \$15,792.35.

The contract amount, with these changes orders, will be \$1,759,156.63 and will exceed the 10% contingency of \$145,380 previously approved.

Funding for this project is from the HUD approved disposition proceeds. The approval was for \$2,500,000. The architect fees are \$179,689 which leave a remaining balance of \$2,320,311 to be used for construction costs.

After the completion of this project (with projected costs of \$2,500,000) the remaining balance in the disposition fund to date is \$1,080,902.

PREVIOUS COUNCIL ACTION(S):

BOARD/COMMISSION ACTION(S): NONE

Board: Municipal Housing Agency Governing Board

Date: March 9, 2015

Resolution Number: [15-0352](#)

Action: [Awarding](#) bid to Koester Construction Company for Royal View Manor Modernization, 1101 Crocker Street, \$1,453,800. ([Board Communication No. 15-119](#)) Moved by Coleman to approve. The City Manager will review all change orders. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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