



CITY COUNCIL MEMORANDUM

FROM: The Office of the City Manager **DATE:** January 27, 2020
SUBJECT: Discuss City Hall Project construction close-out.
PRESENTER: Jimmy Perdue, Director of Public Safety

SUMMARY:

The City of North Richland Hills entered into a construction agreement with Balfour Beatty Construction (BBC) on October 23, 2012 to construct our new City Hall. Over the next seven years, there have been 15 change orders reflecting modification/correction/additions and deletion of the scope of the work being performed. On October 24, 2019 change order 16, the final one, was agreed to by all parties officially closing out the project. The final contract with BBC is \$64,478,259 as reflected in this change order. Pursuant to the contract approved by the City Council, the change order was executed by Director of Public Safety Jimmy Perdue and is tonight being brought to the City Council for notification. No further official action is required.

GENERAL DESCRIPTION:

The city hired Balfour Beatty Construction (BBC) to be the Construction Manager at Risk for the construction of our new City Hall complex on October 23, 2012. The original contract amount was based on the construction estimate and was set at \$56,790,000. Contained in the contract were provisions to make changes to the contract by use of a change order. The City Council authorized the City Manager or the Director of Public Safety to execute all future documents necessary for the completion of the project. Pursuant to the contract, once a change order was executed, the City Council was to be notified of the change during a subsequent City Council meeting. Over the life of the project there were a total of 15 change orders all of which were presented to City Council. Of note was change order 2 which set the true construction amount based on actual bids at \$59,202,481.

On October 24, 2019, change order 16 was executed by all parties, effectively closing the project. This final change order increased the contract amount by \$430,000 bringing the final contract amount to \$64,478,259. This final increase was necessary to settle several outstanding claims brought by sub-contractors throughout the project. While this change order officially ends our contractual relationship with Balfour Beatty we did have two major issues placed into the document so all parties would agree that these issues will ultimately be resolved through the warranty process. The first issue was the difficulty we are having achieving proper building pressurization with the operation of the HVAC



system especially during specific times of the year. The second issue and potentially the most significant, is the fact that we continue to have leaks in the roof structure of the chiller yard area which is over the top of the logistics area. BBC has remained actively engaged in resolving these issues and we are confident will continue to do so until a resolution is achieved.

The construction of our City Hall has made a tremendous impact on the future of our community. It was envisioned to be a catalyst for growth and development in this area and publicly demonstrate our commitment to the future of our entire city; the reality of which is starting to take shape. The construction of City Hall represents a significant investment by the citizens of our community who approved a tax increase to fund this project, as well as a strong commitment by the City Council to dream big and set the course for our community.