



# City of San Antonio

## Legislation Details (With Text)

**File #:** 14-157

**Type:** Capital Improvements

**In control:** City Council A Session

**On agenda:** 3/20/2014

**Title:** An Ordinance for the historic Plaza de Armas Building Project, an approved \$9.9 Million Dollar Project, authorizing an amendment to a Design/Build Services Agreement with Byrne Construction Services, in the increased amount of \$1,400,000.00 for additional engineering and construction services as a result of unforeseen historical and geotechnical conditions and other construction modifications; and, amending the FY 2014 – 2019 Capital Improvement Budget with the appropriation of an additional \$632,574.00 in Public Education Government funds, \$272,942.00 in Unissued 2014 Self-Supporting Tax Notes and \$494,484.00 in Facility Services Fund Balance funds to the Plaza de Armas Project. [Peter Zaroni, Deputy City Manager; Mike Frisbie, Director, Transportation and Capital Improvements]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Project Map\_Plaza de Armas, 2. Draft Ordinance, 3. Ordinance 2014-03-20-0169

| Date      | Ver. | Action By              | Action  | Result |
|-----------|------|------------------------|---------|--------|
| 3/20/2014 | 1    | City Council A Session | adopted | Pass   |

**DEPARTMENT:** Transportation and Capital Improvements

**DEPARTMENT HEAD:** Mike Frisbie

**COUNCIL DISTRICTS IMPACTED:** Council District 1

**SUBJECT:**

Amendment: (Design-Build) Plaza de Armas Facility Improvements

**SUMMARY:**

An ordinance authorizing an amendment to a Design/Build Services Agreement with Byrne Construction Services, in the increased amount of \$1,400,000.00 and appropriating funds, for unforeseen historical and geotechnical conditions and associated construction modifications to rehabilitate the historic Plaza de Armas building, located in Council District 1. Funds authorized to be appropriated to the Plaza de Armas Project include \$632,574.00 in Public Education Government funds, \$272,942.00 in Unissued 2014 Self-Supporting Tax Notes and \$494,484.00 in Facility Services funds.

## BACKGROUND INFORMATION:

### Project Background

The City acquired the Plaza de Armas building in 1986. The Plaza de Armas consists of four interconnecting buildings creating one large building and offers a total of 41,000 square feet of usable space. The building currently is vacant and was configured for office and retail space distributed through two floors and a basement. The City had used this building for office space for different City departments. Over the years, the building has deteriorated and no longer is suitable being used for office space. Proposed building improvements include a complete roof replacement, water proofing of the walls below sub grade, exterior wall rehabilitation and major interior remodeling. Structural modification began in March 2013. Project construction began in June 2013 and is estimated to be substantially complete in September 2014. Opening of studios is anticipated in January 2015.

### Previous Council Action

A previously executed contract with Byrne Construction Services for the design and construction improvements to rehabilitate the historic Plaza de Armas building, in the amount of \$8,100,000.00, was approved by City Council on June 14, 2012 through Ordinance 2012-06-14-0428. Previous amendments have increased this contract amount by \$1,800,000.00 to a total contract amount of \$9,900,000.00. This amendment will increase the contract by an amount of \$1,400,000.00 for a new contract amount of \$11,300,000.00.

| Item                    | Amount           |
|-------------------------|------------------|
| Original Contract Value | \$ 8,100,000.00  |
| Previous Amendments     | \$ 1,800,000.00  |
| Proposed Amendment      | \$ 1,400,000.00  |
| Revised Contract Value  | \$ 11,300,000.00 |

Due to a change in the Texas Local Government Code (i.e., consolidation of the Alternative Delivery Methods for Certain Projects is now Chapter 2269 of the Government Code), the Chapter is silent and there is no clear statutory guidance or prohibition regarding whether the universal and state wide statutory limitations including the 25% limitation, the requirement for City Council to approve or delegate its authority for any Amendment/Change Order amount for municipalities, counties, school districts, and all other State Agencies on Amendments/Change Orders to construction contracts applies to alternative delivery contracts. This ordinance is requesting Council's approval of a City requested amendment that exceeds 25% of the original contract value due to unforeseen circumstances on this Project. It is in the best interest of the City and Council to accept this Amendment.

## ISSUE:

An ordinance authorizing an amendment to a Design/Build Services Agreement with Byrne Construction Services, in the increased amount of \$1,400,000.00, for unforeseen historical and geotechnical conditions and associated construction modifications to rehabilitate the historic Plaza de Armas building, located in Council District 1; and, amending the FY 2014 - 2019 Capital Improvement Budget with the appropriation of an additional \$632,574.00 in Public Education Government funds \$272,942.00 in Unissued 2014 Self-Supporting Tax Notes and \$494,484.00 in Facility Services funds to the Plaza de Armas Project.

The Project will provide overall improvements to both the interior and exterior of the entire building. The

proposed improvements include a complete new roof, rehabilitation of exterior doors, windows and all walls, new heating and air conditioning systems, new electrical, new fire alarm/sprinkler system and plumbing. The improved building will support the Communications and Public Affairs Office, offering two new television studios of approximately 2,500 square feet each, editing bays and all support spaces required. The building also will support a multipurpose space that will be used as an art gallery and a shell space fronting Dolorosa Street. Structural modification began in March 2013. Project construction began in June 2013 and is estimated to be substantially complete in September 2014. Opening of studios is anticipated in January 2015.

This amendment is itemized as follows:

|   |                        |
|---|------------------------|
| • Historical & Geotechnical Conditions  | \$ 635,817.00          |
| • Construction Modifications ( <i>CPS Vault, Electrical Work and Lease Space Infrastructure</i> ) | \$ 764,183.00          |
| <b>Amendment Total</b>  | <b>\$ 1,400,000.00</b> |

#### Historical & Geotechnical Conditions

As construction excavations were taking place, intact Spanish Colonial artifacts (dating to the original 1722 San Antonio de Bexar presidio) were discovered. Operating under a Texas Antiquities Permit issued by the Texas Historical Commission additional test excavations were required to remove significant Spanish Colonial deposits prior to them being destroyed/impacted by the proposed work. During the drilling of piers, contractor encountered an 18<sup>th</sup> century midden deposit (i.e. disposal area) which required a reconfiguration of the building's structural support due to the deposit's unstable nature.

|  |                      |
|--|----------------------|
| • Archaeological   | \$ 100,639.00        |
| • Building Structural Modifications                          | \$ 535,178.00        |
| <b><i>Historical &amp; Geotechnical Conditions Total</i></b> | <b>\$ 635,817.00</b> |

#### Construction Modifications

During the preparation of the construction documents by the Design-Build team, the electrical capacity needed for the building was increased significantly by the electrical demand required for the production studio spaces. With this, a large transformer vault building (32 feet long by 14 feet wide and 15 feet tall) is required to minimize the depth of new construction excavations in areas where historical artifacts had been discovered. CPS Energy also requires a backup electrical transformer be installed to avoid power interruption. This amendment provides for the additional design and construction costs associated with CPS Vault and electrical work. Additionally, as part of the building renovations, approximately 2,509 square feet located at the corner of this historic building facing Dolorosa Street is having infrastructure completed for lease.

|  |                      |
|--|----------------------|
| • CPS Vault & Electrical Work                  | \$ 199,076.00        |
| • Lease Space Infrastructure                   | \$ 565,107.00        |
| <b><i>Construction Modifications Total</i></b> | <b>\$ 764,183.00</b> |

This amendment will allow for the design and construction of these required items. The Texas Historical Commission and Historical Design Review Commission have reviewed and approved these items.

Approval of this ordinance will be a continuation of City Council policy to complete previously approved Capital Improvement-funded projects and ensure delivery of the Plaza de Armas facility improvements project in a manner that is most advantageous to the City.

## **ALTERNATIVES:**

As an alternative, City Council could choose not to execute this amendment; however, this additional scope of work will leave the rehabilitation of the historic Plaza de Armas building incomplete. This alternative would require the City to repay the Public Education and Government (PEG) funds used for this project with General Funds; and open the City to a possible lawsuit for work already completed by Design-Build Team. The most cost effective option is to approve this amendment.

## **FISCAL IMPACT:**

This is one-time capital improvement expenditure in the amount of \$1,400,000.00 payable to Byrne Construction Services. Additional funds in the total amount of \$1,400,000.00 will be amended into the FY 2014 - 2019 Capital Improvement Budget for this Project. Specifically, \$632,574.00 in Public Education Government funds, \$272,942.00 will be redirected from FY 2014 City-wide Facility Needs Deferred Maintenance Park & Energy Efficiency Retrofits Project since grant funds were acquired to complete this Project, and \$494,484.00 will be redirected from savings within Facility Services fund for this project.

## **RECOMMENDATION:**

Staff recommends authorizing an amendment to a Design/Build Services Agreement with Byrne Construction Services, in the increased amount of \$1,400,000.00, for additional design and construction improvements to rehabilitate the historic Plaza de Armas building.