

COUNCIL ACTION FORM

SUBJECT: CONSTRUCTION OBSERVATION FOR FURMAN AQUATIC CENTER

BACKGROUND:

The City does not have internal staff members who are qualified and available to serve as the owner's representative related to the technical work activity required for construction of the new \$9.5 million aquatic center. Therefore, in August 2007 City Council authorized staff to finalize an agreement with ISU's Department of Facilities Planning and Management (FP&M) for construction observation of this facility (Attachment A). The cost for University staff to assume this role will be invoiced on an hourly basis, with a cost not to exceed \$100,000, which is .0125% of the anticipated \$8 million construction budget.

For the overall project, FP&M staff involvement should ensure that:

1. Work is in compliance with the construction documents;
2. The project is completed in a quality manner;
3. Issues are addressed before they become irreversible or more costly to address; and
4. Project milestones are met. (Anticipated opening in June 2009).

On a daily or weekly basis (summarized on Attachment B), FP&M staff members will provide expertise in the following key areas:

- Review Design, Construction, and Bid Documents
- Attend and provide comments at construction progress meetings
- Provide project site observation
- Review work for compliance with building codes and storm water/discharge permits
- Coordinate resolution of construction issues

As a condition for performing these services, ISU has included a hold harmless clause, which removes all liability from ISU. City staff acknowledges this is atypical. However, staff is confident that the City's interests can be safeguarded even with this provision. FP&M staff have played a similar role on joint construction projects in the past, including the Ames-ISU Ice Arena; and City staff is confident that FP&M will add great value to this project. In acknowledgement of this unique partnership, staff believes that ISU should be held harmless. It should be noted that the agreement does not give FP&M staff authority to authorize any change orders or to expend funds. These authorizations remain the responsibility of City staff.

ALTERNATIVES:

1. Approve the agreement between the City and ISU's Department of Facility Planning and Management for construction observation at the Furman Aquatic Center.
2. Do not approve an agreement between the City and FP&M for construction observation at the Furman Aquatic Center.

MANAGER'S RECOMMENDED ACTION:

Staff appreciated Council's support in August to allow staff to finalize details of a construction observation agreement with ISU. Due to the overall magnitude of the aquatic center project, the uniqueness of the site, and the need to assure a quality project, staff continues to believe this is a very wise investment of resources.

Because FP&M staff plays the role of construction observation on a daily basis, and in support of "One Community," the University administration fully supports FP&M staff's unique involvement with the development of this community facility.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving the attached agreement between the City and ISU's Department of Facility Planning and Management for construction observation at the Furman Aquatic Center.

**CONSTRUCTION OBSERVATION AGREEMENT
CITY OF AMES AND IOWA STATE UNIVERSITY**

Iowa State University (ISU) agrees to assist the City of Ames (Owner) on the Ames Aquatic Center project by observing the construction and quality of work being performed by the Contractor and assisting the Design Professional on the project to determine in general that the Work is being performed in accordance with the requirements of the Contract Documents

A. Pre-Construction Phase Services:

1. During the pre-construction phases of the project ISU will provide the following services:
 - a. Review construction documents and advise on proposed site use, selection of materials, relative feasibility of construction methods, building systems and equipment, document coordination, and methods of project delivery.
 - b. Participate in the project pre-bid meeting
 - c. Participate in the pre-bid tours of project site

B. Construction Phase Services:

1. During the Construction Phase of the project, ISU will provide the following services:
 - a. Participate in the project pre-construction meeting
 - b. Review the site staging plan including the set up of project site: trailers, fence, temporary utilities, site access, etc.
 - c. Review contractor's initial construction schedule and provide comments to the Design Professional as required.
 - d. Review and act as required on project correspondence as required.
 - e. Provide assistance to the Design Professional upon request in reviewing Shop Drawings, Product Data and Samples.
 - f. Attend project construction meetings.
 - g. Make periodic visits to the project site to observe the quality and progress of the construction and determine in general that it is proceeding in accordance with the Contract Documents. ISU will notify the Owner, Design Professional and Contractors if work does not conform with the Contract Documents or requires special investigation by the Owner, Design Professional or Contractor.
 - h. Upon request, observe tests required by the Contract Documents. Review testing invoices, if any, to be paid by the Owner.

- i. Review Applications for Payment submitted by the Contractor with the Design Professional and Owner.
 - j. Review contract disputes, coordination problems and other issues on site. Consider potential solutions, evaluate them, discuss them with the Design Professional and Owner and assist the Design Professional when applicable in resolving issues.
 - k. Maintain a log reporting on activities related to the project, project progress, and project issues.
 - l. Monitor and participate in equipment start-up as required
 - m. Assist the Design Professional in final inspection of the work.
 - n. Assist the Design Professional in reviewing the documentation and record documents to be furnished to the Owner by the Contractor upon completion of the work.
 - o. Assist in the Investigation and resolution of post-construction issues
2. ISU will not have control over or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the Work of the Contractors, since these are solely the Contractor's responsibility under the Contract for Construction.
3. ISU will not be responsible for a Contractor's failure to carry out the Work in accordance with the respective Contract Documents but will endeavor to determine in general that the Contractor carries out its work in accordance with the terms and conditions of its contract. ISU will not have control over or charge of acts or omissions of the Contractors, Subcontractors, or their agents or employees, or any other persons performing portions of the Work.
4. This Agreement may be terminated by either party upon not less than seven days' prior written notice. ISU shall be paid as compensation in full for services performed to the date of that termination.
5. Owner agrees to indemnify, defend and hold the State of Iowa, the Board of Regents, ISU and its agents, officers, assistants and employees harmless from any expense, claim, liability, loss or damage either direct or indirect, whether incurred, made or suffered by Licensee or by third parties, in connection with or in any way arising out of the furnishing, performance or use of ISU services provided in this Agreement.

C. Compensation:

1. For the services described, compensation is comprised of costs of personnel engaged in the performance of services provided in this Agreement and directly attributable to the project not to exceed a limit of \$100,000.00 and No/100 Dollars (\$100,000.00).

2. Hourly Rates By Classification:

Construction Project Manager \$100.00 per hour

3. No reimbursable expenses are anticipated in the performance of services provided in this Agreement. If reimbursable expenses are incurred they will be billed at actual costs. No reimbursable expenses will be billed unless they are approved in writing by the City of Ames prior to expenditure.
4. ISU will submit an invoice to the City of Ames monthly for payment.

Accepted by: _____

Mayor Ann Campbell
City of Ames

Date

Accepted by: _____

Warren R. Madden
Vice President for Business and Finance
Iowa State University

Date

ATTACHMENT B

SUMMARY OF SERVICES

SERVICE	ANTICIPATED HOURS	FEE
Review Design Development	16	\$ 1,600
Review Construction Documents	40	\$ 4,000
Review Bid and Award of Contract	48	\$ 4,800
Site Observation: Fall Earthwork	48	\$ 4,800
Construction Observation: May to October, 08	324	\$32,400
Nov to May, 09	184	\$18,400
Start-Up / Occupancy	96	\$ 9,600
Close-out	36	\$ 3,600
Post Construction	32	\$ 3,200
Warranty Issues	42	\$ 4,160
Contingency	134	<u>\$13,440</u>
TOTAL:		\$100,000

- **Review and provide comments on:**
 - Design Document
 - Construction Document
 - Bid package
 - Award of Contract
- **Attend:**
 - Pre-bid meetings
 - Pre-bid site tour
 - Pre-construction meetings
- **Coordinate set-up of project site: trailers, fence, temporary utilities, site access, etc**
- **Review and provide comments on:**
 - Contractor's initial construction schedule
 - Project correspondence
 - Submittals and shop drawings
- **Provide Project Site Observation:**
 - Monitor progress on site relative to project schedule and recommend action as required
 - Evaluate construction for compliance with Contract Documents
 - Evaluate construction for compliance with City standards and all applicable codes and permits related to storm water (NPDES) and discharge (IDNR)
 - Assure required inspections related to SWPPP are accomplished
 - Resolve coordination problems and other issues on site
 - Coordinate resolution of construction issues with project architect and engineer
- **Assist with resolving disputes and coordination issues**
- **Maintain daily construction progress log**
- **Report on project progress**
- **Monitor and participate in equipment start-up as required**
- **Accompany architect and engineer during generation of the punch list and assist as necessary in resolving issues with contractor**
- **Review operational and maintenance manuals and 'as-built drawings**
- **Investigate and assist with resolving post-construction issues**