

SUBJECT: R. L. Bowen Contract Amendment

PREPARED BY: Andrea Aaby, Director of Compliance and Development

APPROVED BY: Ben Capelle, CEO

FOR: Approval

DATE: June 28, 2021

Purpose:

- To seek approval of the Laketrans Board of Trustees to amend Bowen's contract to increase the fee for design by \$250,000.00

Background:

- CT Consultants performed a study of a possible renovation and expansion project in December 2019.
 - The initial cost project of \$12,450,990 for construction and design.
 - Letter from Mark Horton, Project Principal of CT Consultants dated November 23, 2020 indicates that Bowen's cost estimates from the Schematic Design phase are within accepted variances.
- A Request for Qualifications for Design and Engineering Services for Renovation and Expansion of Laketrans Headquarters was issued on December 23, 2019.
- Proposals were due on January 27, 2020.
- The top ranked firms were interviewed February 3 – February 5, 2020.
- After reviewing proposals and conducting interviews, R. L. Bowen and Associates was the highest ranked firm.
- On February 24, 2020, Laketrans's Board of Trustees approved Resolution 2020-004 to enter into a Contract with R. L. Bowen for Architecture and Engineering services at cost not to exceed \$1,000,000.
 - Negotiations with Bowen yielded an A/E Design Contract for \$955,704.50
 - Design not only includes blue prints but also overseeing the environmental impact / National Environmental Policy Act process, analysis of green infrastructure, research and evaluation of maintenance equipment and replacements, and furniture and fixtures.
- On April 27, 2020, Laketrans's Board of Trustees approved Resolution 2020-007 to enter into a Contract with R. L. Bowen for Construction Administration services at cost not to exceed \$253,115.

- The March 2020 Board Meeting was cancelled due to the onset of the COVID-19 pandemic.
- Construction Administration services were included in the scope of the RFQ.
- Construction Administration includes reviewing submittals from the construction contractor, act as Laketrans representative at the construction site, on-site inspections, managing payment applications, answering requests for information (RFI) from the contractor, overseeing the construction schedule, and change orders.
- On April 23rd, 2021 staff received a letter from R.L. Bowen requesting an additional \$312,000 due to the project budget being increased (attached).

Analysis:

- Laketrans past architecture and engineering (A&E) agreements have traditionally been a percentage of the bid construction cost. Additionally a fee system based on percentage is an industry standard way of calculating A&E fees.
 - Wickliffe Park & Ride Reconstruction
 - A&E Firm: CT Consultants hired directly by Laketrans
 - The total fees paid for A&E was \$489,976
 - This amounted to 20% of the construction cost.
 - Frank J. Polivka Transit Center at Lakeland
 - A&E Firm: CT Consultants hired by Lakeland Community College
 - Total fees paid for A&E was \$537,040
 - This amounted to 21% of the construction cost.
 - Note: The design, engineering, and project management component of both of these projects was significantly more complicated and required additional effort due to the electric bus charging components.
- When we negotiated a fee structure with R.L. Bowen, we required them to use a flat fee structure to avoid continual fluctuations in the project cost and avoid future cost changes.
- At the time the A&E agreement was signed with R.L. Bowen we believed the project budget would be \$9 million with a \$1 million dollar contingency.
- This placed R.L. Bowen's fee at 12.09%. Their letter indicates a higher percentage, but it does not take the contingency into consideration.
- In discussion with other transit systems design fees can typically range from 10% to 23% depending on the type of project.
- R.L. Bowen's new request would put their total fees at 8.8% which is well below industry standards.

- It is extraordinarily difficult for staff to evaluate if the exact dollar amount is appropriate as staff is not privy to the amount of hours R.L. Bowen budgeted for the project or exactly how they arrived at their initial fee estimate.
- The matter of “what is the appropriate number” is difficult to evaluate.
- The following list represents the components that went into the recommendation presented for the Board’s approval.
 - The scope of the project has remained the same throughout the process.
 - The budget has changed from \$10 million to approximately \$17.5 million
 - There is no viable metric available to validate whether this request is appropriate or not.
 - Staff reached out to Laketran’s legal counsel Brandon Dynes, to confirm our contract protected us from legal recourse with regard to a demand for additional funds, which it does.
 - Staff reached out to Board Vice President Zibbel to discuss the requested increase and he agreed that there is not a true metric we can use to evaluate the request.
 - Vice President Zibbel’s 40+ years of experience was invaluable in determining if this request should be considered, and to what degree.
 - Staff ultimately believes it is fair for R.L. Bowen to receive some increase because the project budget has increased, and been generally accepted by Laketran.
- Staff identified a range of between \$225,000 and \$275,000 as an acceptable amount for an increase, ultimately settling at \$250,000.
- Staff discussed this amount with Vice President Zibbel after arriving at it independently. He concurred that this was a reasonable amount to proceed with.

Recommendation:

- Approval of the attached resolution authorizing the CEO, or designee, increase the amount of the contract between R.L. Bowen and Laketran by a total amount of \$250,000 for a total contract value not to exceed \$1,458,819.