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City of Las Cruces[®]
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Council Action and Executive Summary

Item # 17 Ordinance/Resolution # 09-10-549 Council District: 1

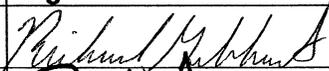
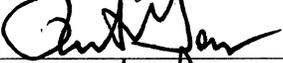
For Meeting of May 3, 2010
 (Adoption Date)

TITLE:

A RESOLUTION ADDING AN OWNER PROJECT CONTINGENCY TO THE CONTRACT BETWEEN THE CITY OF LAS CRUCES AND JAYNES INC., OF ALBUQUERQUE, NEW MEXICO, FOR THE CONSTRUCTION OF THE REGIONAL RECREATION AND AQUATIC CENTER, AS APPROVED BY CITY COUNCIL UNDER RESOLUTION NUMBER 07-08-024(A), AUTHORIZING A PURCHASE ORDER INCREASE OF \$300,000.00 FOR THE PURPOSE OF LANDSCAPING, SITE IMPROVEMENTS, AND OTHER LIMITED USES, TO ALLOW COMPLETION OF THE PROJECT.

PURPOSE(S) OF ACTION:

The purpose of this action would make additional City general capital funds available to complete the project, due in part to a recall of a portion of the authorized state legislative appropriations and no extension to the reversion deadline.

Name of Drafter: D. Eric Martin 		Department: Project Mgmt.		Phone: 541-2616	
Department	Signature	Phone	Department	Signature	Phone
Facilities Department		541-2651	Budget		2300
			Assistant City Manager		2271
Legal		541-2128	City Manager		2271

BACKGROUND/KEY ISSUES/CONTRIBUTING FACTORS:

Jaynes Inc., is the contractor of record for the construction of the Regional Recreation & Aquatic Center, located on the northeast corner of Solano and Hadley. Although the contract is a GMP (Guaranteed Maximum Price) Contract, the established amount is for the project as designed and value-engineered. In general, such a contract usually minimizes the need for additional funding or change orders to complete the project.

Funding for this project has come primarily from state legislative appropriations. The approach used by the City on a project of this scope and magnitude is to contract and encumber the majority of the allocated funds, and hold some back in "reserve." This allows flexibility to complete the project and address unforeseen or other additional needs as they arise.

(Continue on additional sheets as required)

Unfortunately, due to economic issues, the state rescinded the contracts authorizing use of legislative funding for this project in the fall of 2009. Although the contracts have been reissued, the level of funding that was restored is not the same as before. In addition, the state did not extend the reversion dates for these funds. In this case, they still expire June 30, 2010. Coupled with the delays incurred while waiting for the pool construction permit and authorization to use a specific state-of-the-art filtration system, this has created a severe time burden for the contractor.

By adding City funds to the project, and allowing the landscaping, and other required site improvements to take place after the reversion deadline, this will help alleviate some of the time burden on the contractor to complete the entire project. Ultimately, this will allow them to concentrate on the facility and meet the expenditure requirements so that legislative funds do not revert this coming June. Since this venue is an important addition to the City parks and recreation system, and will offer a number of benefits to its citizens in the form of health, wellness, and recreational opportunities, staff believes it to be prudent to add additional funding to allow completion of the project as proposed.

Funding for this request comes from the Facilities Capital Improvement Reserve Fund, which is used for various capital projects, and this would be a qualified use of those funds. Approval of this request will keep the project on-track and allow for a timely open of the center.

SUPPORT INFORMATION:

1. Resolution
2. Purchasing Manager's Request to Contract

Fund Name / Account Number	Amount of Expenditure	Budget Amount
4001 – Facilities Improvement Fund 40803020-852100	\$300,000.00	\$300,000.00

OPTIONS/ALTERNATIVES:

1. Vote "Yes" and approve the request. This will allow landscaping and other site improvements to be completed as part of the project. Opening of the venue will be allowed to proceed in a timely manner.
2. Vote "No" and not approve the request. This would cause a delayed opening of the venue due to incomplete landscaping and site improvements.
3. Vote "Amend" and direct staff to pursue other options associated with the request. This would delay completion of the project.

(Continue on additional sheets as required)

RESOLUTION NO. _____

A RESOLUTION ADDING AN OWNER PROJECT CONTINGENCY TO THE CONTRACT BETWEEN THE CITY OF LAS CRUCES AND JAYNES INC., OF ALBUQUERQUE, NEW MEXICO, FOR THE CONSTRUCTION OF THE REGIONAL RECREATION AND AQUATIC CENTER, AS APPROVED BY CITY COUNCIL UNDER RESOLUTION NUMBER 07-08-024(A), AUTHORIZING A PURCHASE ORDER INCREASE OF \$300,000.00 FOR THE PURPOSE OF LANDSCAPING, SITE IMPROVEMENTS, AND OTHER LIMITED USES, TO ALLOW COMPLETION OF THE PROJECT.

The City Council of the City of Las Cruces is informed that:

WHEREAS, construction of the Regional Recreation and Aquatic Center is well underway and continues to be on time; and

WHEREAS, the State of New Mexico, due to budget issues, rescinded existing contracts that were related to funding for this project; and

WHEREAS, for the reissued contracts, funding was reduced and no extension was granted for the expiration date of these funds; and

WHEREAS, this has created a substantial time burden on the contractor; and

WHEREAS, this will allow the contractor to focus on the building and aquatic amenities, with the ability to complete the landscaping and site work after the reversion date; due to use of local funds; and

WHEREAS, funding for this request will come from Facilities Capital Improvement Reserve Account for capital improvements and will allow implementation of landscaping, site improvements, and other limited uses as necessary to complete the project.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces, New Mexico:

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(I)

THAT this request to add owner contingency to the Purchase Order for the Jaynes Corporation contract be adopted.

(II)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE and APPROVED this _____ day of _____, 2010.

APPROVED:

Mayor

VOTE:

Mayor Miyagishima: _____
Councillor Silva: _____
Councillor Connor: _____
Councillor Pedroza: _____
Councillor Small: _____
Councillor Sorg: _____
Councillor Thomas: _____

ATTEST:

City Clerk
(SEAL)

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:

[Signature]

City Attorney, *[Signature]*

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CITY OF LAS CRUCES**PURCHASING MANAGER'S REQUEST FOR PURCHASE ORDER INCREASE**

For Meeting of: May 3, 2010

Resolution No.: 09-10-549

(REFER TO FOLDER 07-08-024A)

**Purchase Order Increase For Existing Contract
Construction Manager at Risk for the Aquatic Center**

The Las Cruces City Council is provided the following information concerning this request:

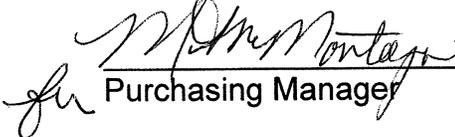
BID/RFP SOLICITATION INFORMATION:

1. Original Bid/RFP & Due Date: **RFP #07-08-024A/October 16, 2007**
2. Description of Bid/RFP: **Construction Manager at Risk for the Aquatic Center**
3. Contract Award: **Resolution No.07-08-024A (1)/July 21, 2008**
4. Purchase Order Revision:

Previous Purchase Order Amount:	\$11,235,460.00
Purchase Order Increase Amount:	<u>\$300,000.00</u>
New Purchase Order Amount:	\$11,535,460.00
5. Contractor: **Jaynes Corporation of Albuquerque, NM**
6. Using Department: **Facilities/Project Management**
7. Contract Duration: **Until Completed**

PROCUREMENT CODE COMPLIANCE:

The City of Las Cruces Procurement Code was administered in the conduct of this procurement and approval to change the above contract is hereby requested pursuant to **Section 24-228.**


 Purchasing Manager

1/4/16-2010
 Date

CONFIRMATION OF FUND ENCUMBRANCE:

PURCHASE ORDER NUMBER:	10200799
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