

**MEMORANDUM**

**TO:** Board of Trustees

**THROUGH:** Mike Bandelin, Interim General Manager

**FROM:** Bree Waters, District Project Manager , Hudson Klein, Principal Engineer

**SUBJECT:** Review, discuss and possibly approve an increase to GMP 1 for Phase 1 and GMP 2 for Phase 2 of the Base Lodge Walk-In Cooler and Food Prep (Kitchen) Reconfiguration CIP #3453BD1806

**RELATED STRATEGIC PLAN BUDGET INITIATIVE(S):**

**LONG RANGE PRINCIPLE #1 - SERVICE**

The District will provide superior quality service through responsible stewardship of District resources and assets with an emphasis on the parcel owner and customer experience.

**LONG RANGE PRINCIPLE #5 – ASSETS AND INFRASTRUCTURE**

The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation venues, facilities, and services.

**RELATED DISTRICT POLICIES, PRACTICES, RESOLUTIONS OR ORDINANCES**

Board Policy 12.1.0 Multi-Year Capital Planning; 13.2.0 Capital Planning Expenditures; 21.1.0 Purchasing Policy for Public Works Contracts

**DATE:** August 9, 2023

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**I. RECOMMENDATION**

The Board of Trustees makes a motion to:

1. Approve an increase to GMP 1 for Phase 1 of the Base Lodge Walk-In Cooler and Food Prep (Kitchen) Reconfiguration CIP #3453BD1806 in the amount of \$42,622, from \$516,390 to \$559,012.
2. Approve Phase 2 of the Base Lodge Walk-In Cooler and Food Prep (Kitchen) Reconfiguration CIP #3453BD1806 with a final GMP 2 of

\$255,876.

## II. **BACKGROUND**

At your meeting on April 12, 2023, the Board of Trustees awarded the Design-Build contract to Brycon Corporation for the Diamond Peak Base Lodge Walk-In Cooler and Food Prep (Kitchen) Reconfiguration (Project).

### **Phase 1**

The Board awarded the Project with a Guaranteed Maximum Price (GMP) of \$516,390 which was based on the schematic design. Brycon began exploration of the existing kitchen and the design team began design development. Through this process, the 100% Design has been completed and the 100% Design Drawings have been produced to be submitted to Washoe County Health and Building Departments for Permit. During the 100% design development and exploration process, unforeseen conditions were discovered triggering a need to negotiate an increased GMP.

There are two items that are contributing to the increase in the GMP and are shown in the table below.

### **Phase 1**

<b>Item Description</b>	<b>Cost</b>
Engineered Structural Doorway	\$15,969
Kitchen Equipment Cost	\$26,653
GMP 1 Increase Total	\$42,622
Original GMP 1 (4/12/23)	\$516,390
Final GMP 1 (8/9/23)	\$559,012

The first item is a wall to be demolished that was in the original design concept, to create a better work flow and path of travel from the food prep area to the dry storage area was found to be load bearing during the exploratory phase of the design. This wall will need to be engineered by a structural engineer, a header placed and the doorway reconstructed to make the opening work as intended in the original design. The second item is a shared portion of the cost of the kitchen equipment with the contractor. The initial GMP was accepted with the District's understanding that it was inclusive of the kitchen equipment. However, during design and construction development, it became apparent that the kitchen equipment had not been included in the initial GMP by Brycon. After further negotiations, the contractor has agreed to share in the cost of the kitchen equipment, \$116,717, at a breakdown of 77% to the District's 23%. The final negotiated total of GMP 1, based on 100% design, is \$559,012.

## Phase 2

The proposed Phase 2 of the Project was discussed at the April 12 Board Meeting. The proposed second phase includes additional cosmetic upgrades to the scramble area that were not included in the original scope of work, Phase 1 - GMP 1. Once GMP 1 was designed and negotiated, the PW and Ski staff worked with Brycon to develop Phase 2 along with GMP 2. Phase 2 will include upgrades to the lighting and electrical, the counters, the food prep area behind the counters on the cook line, a new security door, painting and a new wood tongue and groove ceiling. The following table includes the descriptions and costs of the work proposed in Phase 2:

## **Phase 2**

<b>Item</b>	<b>Description</b>	<b>Cost</b>
1	Updated cabinets at soda line, food serving line and POS area	\$35,281
2	Stainless-steel countertop at food serving line.	\$11,364
3	Complete food court electrical scope	\$41,000
4	Reducing pillar size at food serving station and relocate hand sink	\$14,148
5	Painting	\$3,770
6	Stainless steel corner guard, 3.5" wings	\$2,452
7	5" T&G Ceiling	\$20,616
8	Dumpster Fees	\$2,400
9	Security Door	\$14,500
10	Preconstruction services	\$6,925
11	Architecture design and electrical engineering	\$11,444
12	Project Management	\$10,956
	Phase 2 Construction Subtotal	\$174,856
	Contractor's Contigency	\$8,743
	General Liability	\$1,224
	Builders Risk	\$612
	P & P Bond	\$1,207
	Fee (11.16%)	\$19,234
	Phase 2 Subtotal	\$205,875

	IVGID Internal Time	\$30,000
	Phase 2 Contingency	\$20,000
	<b>Phase 2 Total</b>	<b>\$255,875</b>

The budget amount approved by the Board on April 12 was \$598,028 which included Brycon's estimated GMP, staff's internal time as well as the District's construction contingency. The total approved project budget for FY 23/24 \$919,472, as shown in the Project Data Sheet in Attachment 1. Staff recommended leaving the remaining \$321,433 in the project budget until the final GMP 1 was negotiated and possible cosmetic upgrades could be evaluated and discussed as a Phase 2 to the original project.

### **III. BID RESULTS**

The District publicly advertised and received two (2) Statement of Qualifications (SOQ) from Brycon and McCuen Construction, Inc. Both SOQ's contained cost proposals for the Design Build Firm's Fixed Fee (for construction services) and the Design Build Firm's Construction Services Fee. McCuen's total proposal was \$760,000 with a Construction Services Fee of 26%. Brycon's total proposal was \$516,390 with a Construction Services Fee of 11.16%. With the increase to GMP 1 to \$559,012 for unforeseen costs in the development of the 100% Design, this is an increase of 7.6%, which is well within the project's budget and over \$200,000 lower than the other proposal for GMP 1.

The Board was notified at the meeting on April 12 that there may be a need to negotiate the final cost of the Design-Build contract, the final GMP, due to unforeseen conditions. Since there is a need for a modification to the GMP staff is returning to the Board with a revised contract amount for approval, which will be the final guaranteed maximum price - GMP 1.

### **IV. FINANCIAL IMPACT AND BUDGET**

The Project's budget amount approved by the Board on April 12 was \$598,028, which included Brycon's estimated GMP (\$516,390), staff's internal time (\$30,000) as well as the District's construction contingency (\$51,843). The total approved budget for FY23/24 was \$919,472. Staff recommended at the time to leave the remaining \$321,433 in the project budget until the final GMP 1 was negotiated and possible cosmetic upgrades could be evaluated and discussed as a Phase 2 to the original project.

The following table depicts the final costs associated with Phase 1 and 2 of the Project:

<b>Description</b>	<b>Cost</b>
Brycon GMP 1	\$516,390
IVGID Internal - Phase 1	\$29,000
Construction Contingency - Phase 1	\$52,639
Current Approved Budget - Phase 1	\$598,029

Increase to GMP 1	\$42,622
Final GMP 1	\$559,012
Total Phase 1	\$640,051
Brycon GMP 2	\$205,875
IVGID Internal - Phase 2	\$30,000
Construction Contingency - Phase 2	\$20,000
Total Phase 2	\$255,875
Total FY23/24 Project Budget	\$919,472
Total Phase 1 and Phase 2	\$896,526

Construction contingencies held by the contractor will be returned to the District if not used. Also, the District's construction contingencies and staff time that are not used will not be billed to the project budget.

#### **V. ALTERNATIVES**

Not approve the proposed Phase 2 scope of work.

#### **VI. COMMENTS**

These agenda items need to be approved at the Aug. 9 meeting in order for construction of the project to continue and be completed by Diamond Peak's opening day.

#### **VII. BUSINESS IMPACT/BENEFIT**

Per the District's Strategic Plan, Long Range Principle #5, Assests and Infrastructure, the District will practice asset renewal, replacement and improvement to provide safe and superior long term services at recreation venues and facilities. Further strategies discuss maintaining, renewing and enhancing the District's infrastructure to meet the needs and desires of the community. The food service/scramble area is in need of renewal, enhancements, and updates. The addition of this phase of the Project meets those needs.

This item is not a "rule" within the meaning of Nevada Revised Statutes, Chapter 237, and does not require a Business Impact Statement.

#### **VIII. ATTACHMENTS**

1. Project Data Sheet

#### **IX. DECISION POINTS NEEDED FROM THE BOARD OF TRUSTEES**

The Board of Trustees makes a motion to:

1. Approve an increase to GMP 1 for Phase 1 of the Base Lodge Walk-In Cooler and Food Prep (Kitchen) Reconfiguration CIP #3453BD1806 in the amount of \$42,622, from \$516,390 to \$559,012.

2. Approve Phase 2 of the Base Lodge Walk-In Cooler and Food Prep (Kitchen) Reconfiguration CIP #3453BD1806 with a final GMP 2 of \$255,876.



## Project Summary

<b>Project Number:</b>	3453BD1806
<b>Title:</b>	Base Lodge Walk In Cooler and Food Prep Reconfiguration (Kitchen)
<b>Project Type:</b>	D - Capital Improvement - Existing Facilities
<b>Division:</b>	53 - Food & Beverage
<b>Budget Year:</b>	2023
<b>Finance Options:</b>	
<b>Asset Type:</b>	BD - Buildings & Structures
<b>Active:</b>	Yes

<b>Project Description</b>				
This project will replace the aging walk-in cooler for the Diamond Peak Base Lodge Kitchen and reconfigure its location (in the back of house) to improve cold storage capacities, food preparation operations, and circulation throughout the kitchen. The project will include replacement of existing kitchen appliances where updates are required. External specialist consultants will complete the kitchen concept and final design.				
<b>Project Internal Staff</b>				
IVGID Engineering staff will be responsible for Project management and procurement of external consultants to complete design of proposed improvements with support from Diamond Peak and Food & Beverage Staff. Following completion of the design phase, IVGID Engineering staff will facilitate bidding and construction management services for the construction of physical improvements.				
<b>Project Justification</b>				
The existing walk-in cooler and the kitchen food prep area are undersized relative to current and future needs of the facility; additionally, there are existing appliances in the kitchen and service area that present operational complications reducing the level of service at peak times. The current kitchen layout also presents health and safety concerns as a result of the congested circulation throughout the kitchen. The project will create new access throughout the kitchen to eliminate congestion in areas of higher risk near hot line preparation.				
<b>Forecast</b>				
<b>Budget Year</b>	<b>Total Expense</b>	<b>Total Revenue</b>	<b>Difference</b>	<b>FY 22 Budget</b>
2023				Carry-Over \$31,398
External Design Consultants & Review	90,000	0	90,000	
Internal Project Management	20,000	0	20,000	
Year Total	<del>110,000</del>	0	110,000	<b>Approved at BOT 4/12/23</b>
2024	<b>\$478,557</b>			<b>FY 23 Budget</b>
Construction	740,000	0	740,000	\$110,000 + \$31,398 = \$141,398
External Consultant & Inspection	30,000	0	30,000	\$21,926 = Internal Project Development Costs (FY 23)
Internal Project Management & Inspection	30,000	0	30,000	\$141,398 - \$21,926 = \$119,472
Year Total	800,000	<b>\$321,443</b>	0	<b>\$478,557 (requested budget augmentation) + \$119,472 = \$598,029 (estimated project total)</b>
	<b>\$919,472</b>	<b>910,000</b>	<b>0</b>	
<b>Year Identified</b>	<b>Start Date</b>	<b>Est. Completion Date</b>	<b>Manager</b>	<b>Project Partner</b>
2018			Engineering Manager	

**FY 23/24 Approved Budget**  
**\$598,029 (FY 23) + \$321,443 (FY 24) = \$919,472**