



TOWN of BROOKLINE

Massachusetts

BUILDING DEPARTMENT

Daniel Bennett
Building Commissioner

TO: Selectboard/ School Committee

FROM: Ray Masak, PE Project Manager

SUBJECT: High School Expansion Project – Construction Management @ Risk (CM@R)
Skanska Change Order –Guaranteed Maximum Price (GMP) Amendment/PCCO No.7

DATE: July 17, 2020

On the Calendar this week, the Building Department has submitted a request for Change Order/ Amendment Approval for the construction management firm Skanska to perform the following services in the amount of \$ 22,213,702:

- GMP Amendment- \$21,149,068; Final Procurement of Project
- PCCO No. 7- \$1,064,634; Schedule Update/ Extension – STEM Wing Unforeseen conditions; COVID Delay

The HS expansion project was awarded to the contractor Skanska which was based on their qualifications. Bid packages were prepared by the architect, William Rawn Associates and based on these documents, Skanska submitted pricing packages (18) which the Town approved. This package represents the final procurement of the project including a schedule extension. Refer to the Hill memo dated July 13, 2020 for further explanation of these services.

The Building Department will be available to answer any questions you may have. Thank you for your consideration.

HILL
Hill International

Hill International, Inc.
75 Second Avenue, Suite 300
Needham, MA 02494
Tel: 617-778-0900
Fax: 617-778-0999
www.hillintl.com

July 13, 2020

Mr. Ray Masak, P.E.
Project Manager
Town of Brookline Building Department
333 Washington Street
Brookline, MA 02445

RE: Recommendation to approve Skanska GMP Amendment

Dear Mr. Masak:

Under separate cover, Skanska USA Building Inc. is submitting original copies of FINAL GMP Amendment dated July 9, 2020 for the Expansion of Brookline High School Project for acceptance by the Town of Brookline. As of the end of February 2020, WRA, Hill, and the ToB received from Skanska various remaining Requests to Award (RTA) Subcontractor bid packages for review and comment or review and acceptance. Hill and WRA had reviewed each RTA package and provided coordinated comments as needed and were transmitted to Skanska for response. Specific attention and feedback was given regarding monies being ear-marked as HOLDS and ALLOWANCES in these RTA packages in order to better manage the overall project cost. Furthermore, RTA review meetings were held in March 2020 between WRA, Hill, and Skanska to discuss RTA's in much more detail. Skanska provided responses thereafter as well as bridge documentation as requested. Some of the RTAs were partially released in Pre-GMP Amendment #17r1. The balance of RTAs are now reflected in this FINAL GMP, including a few allowances for certain RTAs that were rejected and are being re-bid or further negotiated down in pricing; to be reconciled in the near future post-GMP.

Following is a timeline recap of the process between the original GMP and the Final GMP:

- **March 13, 2020** – Skanska submitted a GMP document for STEM, 22 Tappan (aka Cypress), MBTA Improvements, and Elevator Modernization projects. Hill considered it to be a draft because it was the first submission of a complete document for review. This GMP value was \$145,666,105 and represented Substantial Completion dates of April 27, 2021 for STEM, October 8, 2021 for Cypress and October 28, 2021 for MBTA Station Platform. However, this GMP did not include any costs or schedule impacts associated with COVID-19 because it was submitted just before the severity of the Pandemic became evident and the "Stay-at-Home" Government Orders began.
- **April 10, 2020** – After extensive review by Hill and WRA, including some ToB's input, we returned the GMP with 200+ comments/questions for Skanska to address. Skanska included approximately (78) Assumptions and Qualifications (A&Qs) in the GMP, some of which we commented that they were not acceptable as they attempted to further modify and change terms already agreed to in the Owner-CM agreement. We provided extensive comments on the General Conditions (GCs) and General Requirements (GRs) in the GMP which were significantly higher than their previous 60% estimate.

- **Between April thru June 2020** - Skanska responded incrementally (by GMP Exhibit Section comments) and Hill/WRA continued to review and correspond to each iteration during this period. The GMP sections that took the longest to reach agreement on are as follows:
 - GC/GRs – Skanska finally agreed on May 28, 2020 to a \$1.5M reduction in this section of the GMP.
 - A&Qs – in the Final GMP, Skanska agreed to completely delete 18 of the 78 original A&Qs, and reworded several others in order to be reasonable and acceptable.
 - COVID-19 Impacts qualification - Simultaneous to this GMP negotiation, Skanska had reached an agreement with neighboring Town of Belmont for specific COVID-19 related qualifications/allowance on their project. Skanska provided the same language for ToB review and consideration on this project/GMP. Hill reviewed the language with ToB on June 19th and appeared to be reasonable and acceptable approach to accounting separately for those costs. Skanska's projection of \$616K was received on June 26th, which included additional costs for safety compliance protocols mandated by Government plus extended GCs for 22 Tappan St only for the schedule impact due to the MBTA's suspension of operational support for diversions needed for the overbuild. Upon further review with ToB, Hill made a recommendation to defer COVID-19 related impact specifically relating to GCs until Fall 2020, ahead of November Town Meeting. A \$150K allowance for known on-going extra safety costs related to the Pandemic is included in the FINAL GMP.
 - Specification Division 1 – Skanska objected to certain terms in Division 1 as they said certain sections were not project-specific, included conflicting requirements (some didn't align with the Owner-CM Agreement), etc. Therefore, Hill, WRA and Skanska went thru Skanska's Division 1 comments over multiple meetings in order to agree to a modified Division 1 which Skanska attached as Exhibit K in the FINAL GMP.
 - FINAL GMP Schedule – the March 13th GMP submission had reflected Substantial Completion dates prior to COVID-19 impacts to 22 Tappan St and MBTA Station Platform. STEM experienced concurrent delays primarily from continued demolition and structural unforeseen conditions related to the Robert's Wing final demo and underpinning requirements adjacent to the Cafeteria. The schedule impacts therefore pushed several exterior façade activities into the 2020-2021 winter season which were originally expected to occur during warmer months. After several iterations, included within this FINAL GMP Amendment Skanska has included PCCO #7 for mostly projected costs with additional GRs related to winter tarping and heat (use of propane tanks) on both projects, as well as some partial GCs related to STEM only:

Skanska's Substantial Completion Dates			
	<u>3/13/20 GMP</u>	<u>7/9/20 FINAL GMP</u>	<u>Cause</u>
STEM	4/27/2021	7/7/2021	10-weeks; Unforeseen
22 Tappan St.	10/8/2021	11/15/2021	5-weeks; COVID-19
MBTA Station	10/28/2021	12/10/2021	6-weeks; COVID-19

- **July 9, 2020** – Skanska's revised FINAL GMP was received after nearly 4 months of negotiations during a prolonged, unpredictable and complicated situation related to COVID-19 and only after gaining some schedule impact clarity (specifically related to MBTA operational support that resumed in June 2020). The following table provides a financial recap comparison between the March GMP and the Final GMP:

	<u>3/13/20 GMP</u>	<u>7/9/20 FINAL GMP</u>	<u>Variance</u>	<u>Notes</u>
Direct Cost	\$ 117,495,136	\$ 117,328,428	\$ (166,708)	
GR	\$ 7,485,663	\$ 6,803,638	\$ (682,025)	
2.5% CM contingency	\$ 2,843,025	\$ 2,821,807	\$ (21,218)	
GC	\$ 9,916,882	\$ 9,154,000	\$ (762,882)	
other mark-ups	\$ 7,925,399	\$ 7,888,010	\$ (37,389)	
BASE GMP TOTAL	\$ 145,666,105	\$ 143,995,883	\$ (1,670,222)	
Precon	\$ 476,928	\$ 476,928		
MBTA Precon	\$ 70,512	\$ 70,512		
Owner Pandemic Allowance	\$ -	\$ 150,000		
TOTAL	\$ 146,213,545	\$ 144,693,323	\$ (1,520,222)	
<u>CHANGE ORDERS</u>				
PCCOs 1-6 (ARs)	\$ 527,009	\$ 527,009		(see Pre-GMPs 12b, 13b, 14b, 15b, 17b & 18b)
PCCO 7 schedule adjustment	\$ -	\$ 1,064,634		
TOTAL	\$ 146,740,554	\$ 146,284,966	\$ (455,588)	*FINAL GMP Amendment
GMP CO 1/PCCO 8 (ARs)	\$ 710,394	\$ 710,394		
TOTAL	\$ 147,450,948	\$ 146,995,360	\$ (455,588)	

Based on the above, we recommend approval of this GMP Amendment.

Very truly yours,



Andy Felix, MCPPO
Project Director

TOWN OF BROOKLINE
333 Washington Street, Brookline, Massachusetts 02445

PURCHASE ORDER CHANGE FORM

INVOICE DATE; 13-Jul-20

TO:	Skanska USA Building Inc 101 Seaport Boulevard, Suite 200 Boston MA 02210
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Purchase Order Number

21911639

Vendor Number

55399

BUDGET 120,391,451.00
BALANCE 123,230,037.08

FUND	ORGANIZATION	ACTIVITY	OBJECT
	2594C204		6C0002

PAYMENT AMOUNT

\$22,213,702.00

FOR: Brookline High School Expansion

Amendment	Date	
	7/10/2020	GMPAmendment/PCCO No. 007 - Schedule Update

AMOUNT

\$22,213,702.00