COUNCIL OF THE DISTRICT OF COLUMBIA

MEMORANDUM

To: Chairman Phil Mendelson

From: Councilmember Janeese Lewis George

Date: June 1, 2023

Subject: Emergency Contract Approval Measures

At our next legislative meeting, I intend to move the following emergency measures:

• Modification Nos. 1, 2 and proposed Modification No. 3 with Perkins Eastman DC, PLLC. Approval and Payment Authorization Emergency Declaration Resolution of 2023

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- Modification Nos. 1, 2 and proposed Modification No. 3 with Perkins Eastman DC, PLLC. Approval and Payment Authorization Emergency Act of 2023
- Modification Nos 4 and 5 to Contract DCAM-20-CS-RFP-0020 with GCS, Inc. Approval and Payment Authorization Emergency Declaration Resolution of 2023
- Modification Nos 4 and 5 to Contract DCAM-20-CS-RFP-0020 with GCS, Inc. Approval and Payment Authorization Emergency Act of 2023

Drafts of the measures are attached, though I understand that the Executive has already filed the measures in the Office of the Secretary. I request that you place the measures on the agenda of our regular legislative meeting scheduled for June 6, 2023.

Perkins Eastman (retroactive approval of contract and modifications)

Perkins Eastman is serving as the architect and engineer in connection with design and construction of the Ward 8 Senior Wellness Center. Perkins Eastman was awarded this contract following a competitive solicitation that generated 10 bids (and no bid protests).

Based on its initial value of \$906,123, the contract did not require Council approval when it was executed on January 6, 2022. Since then, the contract has been modified three times.

The modifications appear to be reasonable in substance and to have been made in good faith. Modification No. 1 (executed September 1, 2022) required additional design work requested by DGS in a change order, increasing the contract value to \$988,809. Modification No. 2 (executed October 31, 2022) extended the completion date for the design phase at no additional cost. Modification No. 3, signed by the contractor on May 4, 2023, would increase the total contract value to \$1,154,029 in light of additional drawings and architectural work that are necessary to obtain construction permits for the project.

The Committee staff believes DGS has acted with reasonable promptness to obtain Council approval of this contract.

GCS (retroactive approval of modifications)

GCS is managing the renovation and modernization of Stead Park Recreation Center pursuant to a contract that was deemed approved by the Council on July 7, 2022 (CA24-575). The initial contract value was \$13,474,000.

It is unclear why the initial contract apparently omitted work that was necessary to make the renovated facility physically accessible to users with limited mobility, as required by the Americans with Disabilities Act. In a document dated April 8, 2022—before Council approval of the initial contract—DGS specified the impact of accessibility improvements on the scope of work. In a separate document also dated April 8, 2022, GCS estimated that these accessibility improvements would cost approximately \$700,000.

Yet Modification No. 4, dated August 11, 2022 (the same date as execution of the initial contract), increased the contract value by \$700,000 to account for the accessibility improvements. Modification No. 4 also extended the completion deadlines. The contractor has provided a written assurance that it will meet the extended delivery schedule, with a substantial completion deadline of September 1, 2023, and final completion deadline of December 1, 2023. The value of Modification No. 4, by itself, did not require Council approval.

But Modification No. 5 triggers the Council approval requirement. Modification No. 5 would further increase the contract value by \$329,370 to account for unforeseen conditions, including the presence of asbestos, and to reflect DGS's rejection of a "value engineering" proposal from the contractor.

Despite the earlier omission of Modification No. 4 from the contract that was initially submitted for Council approval, approval of Modifications No. 4 and 5 will facilitate completion of the project in accordance with shared expectations and legal requirements. DGS's decision to reject the value-engineering proposal deserves deference from the Council, particularly given past examples in which useful or important features were regrettably "value-engineered" out of a project.

The remainder of this memo reproduces information that has been provided by DGS regarding the contracts and the approval measures. Should you or your staff have questions, please contact Will Singer on my staff at (202) 724-8035.

cc: All Councilmembers
Office of the Secretary
Office of Policy and Legislative Affairs
Department of General Services

<u>Information Provided by the Department of General Services</u>

- Modification Nos. 1, 2 and proposed Modification No. 3 with Perkins Eastman DC, PLLC. Approval and Payment Authorization Emergency Declaration Resolution of 2023
- Modification Nos. 1, 2 and proposed Modification No. 3 with Perkins Eastman DC, PLLC. Approval and Payment Authorization Emergency Act of 2023

These measures approve Modification Nos. 1, 2 and proposed Modification No. 3 with Perkins Eastman DC, PLLC, a certified Local Business Enterprise.

Modification No. 1, executed on September 01, 2022, increased the Value of Contract by \$82,686.40, from \$906,122.68 to \$988,809.08. Modification No. 2, in the amount of \$0, was executed on October 31, 2022. The proposed Modification No. 3 in the amount of \$165,219.74, if approved, will cover fees and additional services required to meet the permit requirements of the project and will increase the Value of Contract by \$165,219.74, from \$988,809.08 to \$1,154,028.82. As the aggregate amount of the Contract, Modification Nos. 1, 2 and the proposed Modification No. 3 exceeds \$1 million, Council approval is required for this Contract action.

This is a continuation of the A/E Services for the Ward 8 Senior Wellness Center (SWC) Building. Council approval is needed to timely authorize the performance of the necessary services.

- Modification Nos 4 and 5 to Contract DCAM-20-CS-RFP-0020 with GCS, Inc. Approval and Payment Authorization Emergency Declaration Resolution of 2023
- Modification Nos 4 and 5 to Contract DCAM-20-CS-RFP-0020 with GCS, Inc. Approval and Payment Authorization Emergency Act of 2023

These measures approve Modification Nos 4 and 5 to Contract DCAM-20-CS-RFP-0020 with GCS, Inc. for Contract No. DCAM-20-CS-RFP-0020 for Construction Management At-Risk Services for Stead Park Recreation Center. Under the Contract for construction management atrisk services, the Contractor provides construction management at-risk services for the renovation and modernization of Stead Park and Recreation Center.

The Project generally includes but is not limited to the renovation of the existing carriage house building and adding additional space in order to bring the building into compliance with Americans with Disabilities Act (ADA) codes. The Project will require that the new building have Net Zero and LEED Gold certification. The Project also includes renovating the existing playground to the east and south of the building and renovating the spray park to the east of the building. The existing playing field and basketball court are to remain in their current condition.

Modification No. 4 extended the term through March 01, 2024, increasing the GMP amount by \$700,00.00 from \$13,474,000.00 to \$14,174,000.00. The amount of Modification No. 4 was less than \$1 million, thus the Council approval was not required.

The proposed Modification No. 5, if approved, will increase the GMP by \$ 329,370.00 to incorporate the costs for unforeseen conditions, updated IFC Drawings and Rejected Value Engineering. Since the aggregate amount of Modification No. 4, and the proposed Modification No. 5 exceed \$1 million, Council approval is required.

Council approval is needed to timely authorize the performance of the necessary services.