



JAMS Performing Arts Center

GMP Award and Budget Adjustments

July 18, 2019



Introduction

- JAMS PAC Lease-Leaseback Guaranteed Maximum Price Amendment
 - Construction Cost is Higher than Anticipated
 - Value Engineering Options to Reduce Cost
- JAMS PAC Project Budget Adjustment and Increase
- Measure ES – Santa Monica Other Allocation Budget Adjustment and Increase

Project Progress





Current Project Status

- DSA Permit Approved (Theater and Rehearsal Room, but not Music Building Modernization)
- JAMS PAC Preliminary Services Underway
 - Demolition and Abatement Complete
- GMP Development and Negotiations (Including Value Engineering Options) Complete
- Groundbreaking Event Planned for Late August/Early September
- Construction Phase will Commence Immediately after GMP Amendment Approval



GMP Proposal

- The proposed GMP, received June 12, 2019 for the theater, rehearsal building, and music building modernization was \$45,933,325.
- Bernards has continued to negotiate with subcontractors and replaced certain subcontractors to reduce the GMP by \$4.1 million to \$41,852,325.
- Several factors contribute to the proposal in excess of the budget estimate:
 - Changes in steel and material costs, largely related to tariffs
 - Higher than anticipated escalation, 8%/yr vs 5%/yr, over 2 years
 - Very competitive market conditions/limited bidders
- There are recommended Value Engineering options which will further decrease costs by approximately \$3.2M (including reduction of contingency) resulting in a GMP for the theater, rehearsal, and music building modernization of approximately \$38.7M.
- Music building modernization would cost around \$4.6 million, over \$800/sf, and is not recommended at this time.
- The revised proposed GMP for the theater and rehearsal building, including acceptance of recommended VE, but excluding music building modernization, is \$34,039,250.



Value Engineering

- 48 Value Engineering options were discussed, ranging from minor savings (approximately \$6k) to major savings (up to \$783k).
- 16 Value Engineering options are recommended, resulting in a savings of \$2,184,547, plus a reduction of proposed contingency of \$1M, for a total reduction of \$3,184,547.
- Recommended Value Engineering Measures include reduction of metal panels, revision of insulation material, reduction of gate height, flooring revisions, precast concrete, parking changes, product manufacturer changes, and various other miscellaneous changes which will not impact the overall use and appearance of the project.



Award of GMP

■ Options:

- Accept recommended VE of \$3,184,547, and indefinitely defer construction of the Music Building Modernization (\$4.6M), resulting in an Amendment of \$32,927,581 and GMP of \$34,039,250.
(recommended action)
- Accept recommended VE of \$3,184,547 and construct the Music Building Modernization, resulting in an Amendment of \$37,556,109 and GMP of \$38,667,778. *This is not recommended.*
- Reject all VE and construct all proposed elements of project, resulting in Amendment of \$40,740,656 and GMP of \$41,852,325. *This is not recommended.*



JAMS PAC Project Budget Discussion

- The previously established project budget was \$32M, with \$22M as the construction cost budget, anticipated funding was: SMC, \$20M; Measure ES, \$10M; and State Funding, \$2M.
- In 2018, the Architect's estimate indicated that the cost would be approximately \$27M for the Theater, \$3.6M for the Rehearsal Building, and \$2.3M for the Music Building Modernization.
- At that time it was determined that the project would proceed and if the Rehearsal Building and the Music Building Modernization were to be constructed it would be from a future bond measure.
- The previous estimate in 2017 indicated a cost of approximately \$24 million for the theater, \$2.6M for the Rehearsal Building, and \$1.9M for the Music Building Modernization.
- There are recommended Value Engineering options which will decrease costs by approximately \$3.2M.
- Recommended GMP is approximately \$12M over the original construction cost budget.
- The revised project budget would be approximately \$47.1M, an increase of \$15.1M over the previously approved budget.

JAMS PAC Project Budget Discussion

JAMS PAC		\$ 32,000,000.00				
		Orig Budget		New Budget	Delta	
Construction		\$ 22,000,000.00		\$ 34,039,250.00	\$ 12,039,250.00	
Insurance	incl.	\$ -	2.80%	\$ 953,099.00	\$ 953,099.00	
PLA Admin		\$ -	0.15%	\$ 50,000.00	\$ 50,000.00	
Design	7%	\$ 1,540,000.00	7.93%	\$ 2,700,000.00	\$ 1,160,000.00	
Permitting/Misc	4%	\$ 880,000.00	3.82%	\$ 1,300,000.00	\$ 420,000.00	
CM	5%	\$ 1,100,000.00	4.70%	\$ 1,600,000.00	\$ 500,000.00	
Inspection/Testing	3%	\$ 660,000.00	2.94%	\$ 1,000,000.00	\$ 340,000.00	
Solar	0%	\$ -	0.00%	\$ -	\$ -	
Contingency	10%	\$ 2,200,000.00	5.00%	\$ 1,701,962.50	\$ (498,037.50)	reduce to 5%
Centralized	8%	\$ 1,760,000.00	5.00%	\$ 1,701,962.50	\$ (58,037.50)	reduce to 5%
Swing Space	0%	\$ -				
Demo	2%	\$ 440,000.00	0.00%	\$ -	\$ (660,000.00)	
Haz Mat	1%	\$ 220,000.00				
FFE	4%	\$ 880,000.00	4.00%	\$ 1,361,570.00	\$ 481,570.00	
AV	2%	\$ 440,000.00	2.00%	\$ 680,785.00	\$ 240,785.00	
Totals.		\$ 32,120,000.00		\$ 47,088,629.00	\$ 15,088,629.00	
		Still to be determined				
		Likely cost				
		Variable (but important)				
		Budget Increase				

Measure ES – Santa Monica Other Allocation Budget Discussion (1 of 2)

Santa Monica - Other Allocation	\$ 93,568,642			
Windows, Paint, Flooring & Doors	Previous Budget	Proposed Change	July 2019 Forecast	Notes
Will Rogers	\$ 6,000,000	\$ 200,000	\$ 6,200,000	Increased \$200k from contingency.
Grant	\$ 2,500,000	\$ (100,000)	\$ 2,400,000	Decreased \$100k to contingency.
Mckinley	\$ 5,500,000	\$ 3,000,000	\$ 8,500,000	Combined with HVAC, increased \$1.8m from HVAC and \$1.2m from contingency.
Franklin	\$ 4,500,000	\$ 2,600,000	\$ 7,100,000	Combined with HVAC, increased \$1.8m from HVAC and \$800k from contingency.
Roosevelt	\$ 3,800,000	\$ -	\$ 3,800,000	No change.
Washington	\$ 500,000	\$ (500,000)	\$ -	Moved to SMS. Decrease \$500k to contingency.
Olympic High School	\$ 2,000,000	\$ 3,000,000	\$ 5,000,000	Combined with HVAC, increased \$1m from HVAC and \$2m from contingency.
Muir/SMASH	\$ 3,000,000	\$ (2,800,000)	\$ 200,000	Moved to SMS. Decreased \$2.8m to contingency.
WPPD SUBTOTAL	\$ 27,800,000	\$ 5,400,000	\$ 33,200,000	
Auditorium				
Adams - Temporary MPR/Auditorium	\$ -	\$ -	\$ -	Temp Auditorium eliminated.
Adams - Music Building Modernization	\$ 2,500,000	\$ (2,500,000)	\$ -	Moved to SMS. \$2.5m to contingency.
Adams - New 750 Seat Theatre, SMC \$20M	\$ 10,000,000	\$ 15,100,000	\$ 25,100,000	Increased \$20m, from contingency and Measure SMS.
Lincoln - Seat Replacement	\$ 500,000	\$ (500,000)	\$ -	Moved to SMS. \$500k to contingency.
AUD SUBTOTAL	\$ 13,000,000	\$ 12,100,000	\$ 25,100,000	
Field/ Gym				
Adams - Replace Synthetic Turf	\$ 2,000,000	\$ 500,000	\$ 2,500,000	Increased \$500k from contingency. Drainage repair and cork infill.
Lincoln - Track & Field Renovation	\$ 7,000,000	\$ (400,000)	\$ 6,600,000	Decreased \$400k to contingency.
Lincoln - Entrance Quad Turf	\$ 50,000	\$ -	\$ 50,000	No change.
Adams - Gym Floor Replacement	\$ 1,000,000	\$ 300,000	\$ 1,300,000	Increased \$300k from contingency. Increased accessibility work.
ATHL SUBTOTAL	\$ 10,050,000	\$ 400,000	\$ 10,450,000	

Measure ES – Santa Monica Other Allocation Budget Discussion (2 of 2)

HVAC & Electrical	Previous Budget	Proposed Change	July 2019 Forecast	Notes
Rogers	\$ 2,000,000	\$ (2,000,000)	\$ -	Moved to SMS. Decreased \$2m to contingency.
Grant	\$ 1,700,000	\$ (1,700,000)	\$ -	Moved to SMS. Decreased \$1.7m to contingency.
Muir/SMASH	\$ 1,500,000	\$ (1,500,000)	\$ -	Moved to SMS. Decreased \$1.5m to contingency.
Washington	\$ 500,000	\$ (500,000)	\$ -	Moved to SMS. Decreased \$500k to contingency
McKinley	\$ 1,800,000	\$ (1,800,000)	\$ -	Combined with WPF, decreased \$1.8m.
Roosevelt	\$ 2,300,000	\$ (2,300,000)	\$ -	Moved to SMS. Decreased \$2.3m to contingency.
Franklin	\$ 1,800,000	\$ (1,800,000)	\$ -	Combined with WPF, decreased \$1.8m.
Olympic	\$ 1,000,000	\$ (1,000,000)	\$ -	Combined with WPF, decreased \$1m.
Lincoln	\$ 4,000,000	\$ (4,000,000)	\$ -	Moved to SMS. Decreased \$4m to contingency.
Adams	\$ 5,500,000	\$ -	\$ 5,500,000	No change.
HVAC SUBTOTAL	\$ 22,100,000	\$ (16,600,000)	\$ 5,500,000	Majority moved to SMS or combined with WPF.
SMO Cafetorium Improvements	\$ -	\$ 650,000	\$ 650,000	New Project, increased \$650k from contingency.
Santa Monica - Other Centralized Costs	\$ 5,000,000	\$ 2,000,000	\$ 7,000,000	Increased \$2m from contingency. To be distributed to projects.
Solar Project / Alternative Energy	\$ 5,000,000	\$ (2,500,000)	\$ 2,500,000	Reduced \$2.5m to contingency. Edison.
Contingency (10% of allocation)	\$ 9,306,864	\$ (3,056,864)	\$ 6,250,000	Reduced to \$6.25m (about 5.5% of revised budget), after consolidation and distribution as indicated herein.
BB Shortfalls	\$ 17,500,000	\$ 500,000	\$ 18,000,000	Increased \$500k from contingency, closeout.
MISC SUBTOTAL	\$ 36,806,864	\$ (2,406,864)	\$ 34,400,000	
Total OSM Projected Budget	\$ 109,756,864	\$ (1,106,864)	\$ 108,650,000	
Budget Remaining	\$ (16,188,222)		\$ (15,081,358)	



Measure ES – Santa Monica Other Allocation Budget Summary

■ Reallocate Projects to SMS:

- Rogers, Grant, SMASH/Muir, Washington, Roosevelt, and Lincoln HVAC Projects (\$12M)
- SMASH/Muir and Washington West WPFD (\$3.3M)
- JAMS Music Building Modernization (\$2.5M)
- Lincoln Theater Seat Replacement (\$500k)

■ Combine ES Projects:

- McKinley, Franklin, and MBOC WPFD and HVAC Projects, and Increase those Budgets a Collective \$4M

■ New Project:

- SMO Cafetorium Projects, \$650k

■ Minor Budget Adjustments:

- 8 Projects, Net \$500k Increase in ES Budget

■ JAMS PAC Budget Increase:

- \$15.1M Increase in ES Budget

■ Measure ES – SMO Contingency Decreased by (\$3,056,864)

Total Measure ES - SMO Budget Increase of \$15.1M



Staff Recommendation

1. Approve Adjustment of and Increase to the Measure ES – Santa Monica Other Allocation Budget in the amount of \$15.1M from Measure SMS.
2. Approve Adjustment of and Increase to the JAMS PAC Project Budget to a total amount of \$47.1M from the revised Measure ES – Santa Monica Other Allocation Budget.
3. Approve an Amendment to the Bernards Agreement in the amount of \$32,927,581, for a total GMP of \$34,039,250.

Questions and Answers

