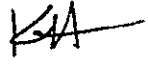


---

## INTEROFFICE MEMORANDUM

---

TO: STEPHEN GIESBRECHT, BOROUGH MANAGER  
FROM: KARL HAGERMAN, PUBLIC WORKS   
SUBJECT: PMPL REMODEL PROJECT: CHANGE ORDER #1 AND SUPPLEMENTAL BUDGET REQUEST  
DATE: 11/2/2017  
CC: FILE

---

The remodel of the PMPL Headquarters building is moving along well. Rainforest Contracting has completed most of the interior demolition and is starting to work on electrical and plumbing rough in. The contractor has been very responsive to the project management team and keeping the site cleaned up in order to avoid creation of hazards to Borough personnel or the public.

However, the work thus far has uncovered some weaknesses in the project budget. The project was designed in 2015 as a bare bones remodel of the common areas in order to improve ADA access and energy efficiency, but the design fell short of a complete remodel of all spaces and the long term O&M considerations of the entire office space. Because of this, various items were left out of the plan and no work whatsoever was planned for the Superintendent's office, the Office Manager's office or the existing restroom in the corner.

Being that the construction of a new headquarters in Scow Bay has been eliminated from consideration and the current offices will be the PMPL headquarters for many years into the future, the department wishes to deviate in small ways from the original design in order to provide a better, more functional work space that will address a remodel of the entire office instead of just portions of it.

Therefore, Change Order #1 is presented for the Assembly's consideration. Approval of this change order will allow for some changes to the two separate offices, including flooring, walls and ceilings. It will remove a wall and soffits in the main reception area, that were thought to be bearing but were not, and reduce construction of new work counters in lieu of re-using an old reception desk. Construction of a small coffee counter in the conference room would be accomplished and a change in cabinets for storage in a common workspace would be included. We would eliminate one section of planned shelving and old sheet vinyl flooring in the existing restroom would be replaced. Lastly, we would like a removable section of railing at the upper landing of the exterior stairs to make moving back into the space and future loading/unloading easier and safer. All of this work was presented to the Contractor and an all-inclusive price of \$26,590.00 was provided to accomplish this additional work. The RFP and Proposal is attached to this memo for your information. I recommend approval of this change order.

An additional RFP is in the Contractor's hands right now that will offer pricing on replacement of the old suspended ceiling grid and improvement of the lighting layout and fixtures in all spaces of the upstairs offices. Once a proposal price is received from the contractor, I will bring this cost forward as Change Order 2.

These project needs being stated, the weakness in the project budget is an issue that must be addressed. The original contingency to this project was \$20,000 or 3.7% of the budgeted construction costs. This represents an extremely optimistic expectation of minimal changes for the remodel of such an old building. I believe that the contingency should be raised to approximately 15% of the construction cost in order to fund a complete and functionally sound remodel and to cover any unforeseen issues that may still arise with the project. I propose a supplemental budget item of \$60,000.00 that would increase the Capital Project Fund 741 contingency budget to \$80,000.00 (equal to 15% of the construction award). The funding is available in the PMPL reserves.

In summary, I recommend approval of CO #1 for an amount not to exceed \$26,590.00 and I recommend a supplemental budget appropriation from PMPL reserves to Fund 741 in the amount of \$60,000. I thank you for your consideration and will be available for questions at the Assembly meeting.