



## ARLINGTON COUNTY, VIRGINIA

**County Board Agenda Item  
Meeting of January 23, 2010**

**DATE: January 21, 2010**

**SUBJECT:** Approval of (1) funding for the construction of the Arlington County Cultural Center; and (2) an increase in the contract amount under Contract No. 346-09 with The Lukmire Partnership for design services for the Arlington County Cultural Center.

**C. M. RECOMMENDATION:**

1. Approve the funding for the construction of the Arlington County Cultural Center (Cultural Center) in the amount of \$3,877,398 and approve allocation of a contingency of \$350,000 for a total construction authorization of \$4,227,398.
2. Approve an increase of \$84,759, for a total of \$521,078, to Contract No. 346-09 with The Lukemire Partnership (TLP) and approve a contingency of \$10,000 for a total contract authorization of \$531,078.
3. Authorize the Purchasing Agent to amend Contract 346-09, subject to approval by the County Attorney.

**ISSUES:**

1. County Board approval is needed to approve funding for the construction of the Cultural Center.
2. County Board approval is needed to increase the contract amount under Contract No. 346-09 to provide for the additional efforts needed to complete the design.

**SUMMARY:** This is a request to approve funding for the construction of the Cultural Center and authorize additional funds required to complete the design.

**BACKGROUND:** In November, 2008 the County Board approved a Deed of Lease (Lease) between the County Board and 1101 WILSON OWNER, LLC (Landlord) for the County to lease space at 1101 Wilson Blvd. In June, 2009, the County Board approved using the leased space for the purpose of developing the Cultural Center and also authorized a design contract to

County Manager: BMD

County Attorney: SM

Staff: George May, DES

23.

TLP in the amount of \$423,078, including contingency. In July, 2009, the County Board approved funding to develop the Cultural Center for a total of \$6.7 million.

The Lease provides that the County/Tenant may elect to have Landlord perform any alterations to the leased premises and also requires that the Landlord shall be entitled to perform any alterations affecting the mechanical, electrical or structural systems of the base building. The Cultural Center design developed by the County does impact the base building systems. County staff and the Landlord have agreed the most expeditious means to complete the Cultural Center construction is for the Landlord to perform the work. Per the lease, the Landlord will contract with a general contractor selected from at least three (3) qualified bidders. Monday Properties Services, LLC (Monday) is the agent for the Landlord with regards to the construction

The TLP design fee authorized by the Board in June, 2009 was based on the conceptual design developed in the fall of 2008, and provided for the renovation of the interior spaces to provide the functions planned for the Cultural Center, including the restaurant and kitchen, ballroom, Wi-Fi Town Square, gallery and staff office area. Since the development of the original design scope, additional requirements have been determined to be necessary and additional design is required by TLP.

**DISCUSSION:** Monday obtained bids from four (4) general contractors (Clark Construction Group, LLC; James G. Davis Construction Corporation; the Dietze Construction Group, Inc.; and HITT Contracting, Inc) based on the construction documents developed by TLP. Bids were received on January 8, 2010. Monday has negotiated a guaranteed maximum price of \$3,692,760 with Clark Construction Group, LLC (Clark). County staff have reviewed the bids and determined that the Clark bid was the responsive low bid and that the bid includes all features provided on the construction documents. The recommended construction cost authorization of \$4,227,398 includes \$350,000 contingency, which will be allocated only upon agreement between County staff and Monday, and \$184,638, equal to the Landlord's (Monday's) construction management fee of 5% of construction costs, as provided for in the Lease.

The additional design fee of \$84,759 covers costs for design for unanticipated conditions to meet building code, more complicated structural and lighting design requirements, specialized kitchen needs for the restaurant, the integration of artistic features, and the audio-video systems design recommended by the County's artistic consultant. Staff has determined that this increase in design cost is reasonable and justified.

**FISCAL IMPACT:** The County Board approved funding of \$6.7 million for capital costs in June 2009 reallocating funds from unused bond balances and the Rosslyn Fund. The \$6.7 million budget for the Cultural Center was based on the cost items shown below. The current estimate of costs is shown in the second column, including the construction cost, design and Landlord construction management fees described in this report. The costs shown also reflect evolution in the requirements and costs for the technology component (including connection to the County's Intranet Network) and input on artistic features and audio-video requirements developed by the project. The total cost remains within budget, with the value of contingency changed from \$845,000 to \$668,000.

Item	Project Cost Estimate \$000's	
	July, 2009	Current Value
Design	\$568	\$531
Construction	\$4,065	\$3,693
Furnishings (1)	\$847	\$1,136
Technology	\$189	\$213
Other County Costs and Fees (2)	\$145	\$274
Landlord Management Fee (3)	\$41	\$185
Contingency (4)	\$845	\$668
Total	\$6,700	\$6,700

*Notes:*

- 1. Includes FFE, artist design features, audio-visual displays and performance lighting not in construction contract*
- 2. Includes artist consultant and LEED commissioning fees*
- 3: Landlord Construction Management Fee in July, 2009 was 1% of construction cost with County contracting for construction; current fee is 5% of construction cost for Landlord to perform the construction.*
- 4. Contingency includes construction contingency of \$350K requested in this Board Report with \$318K remaining, equal to 20% contingency for costs not yet committed; i.e. Furnishings, Technology and Other County Costs and Fees.*

Funds for the Cultural Center completion are available in PAYG account  
313.480001.80001.RCC1.0649.0000.