

November 12, 2024

David Thompson

Executive Director of Leisure Services
Foley Sports Tourism

Re: **Foley Library**

Fee Amendment – Value Engineering & Owner Requests, See Summary Below

Dear David,

We are delighted with the bid results and have invested significant time and effort to enhance value and achieve savings wherever possible, without compromising the library's program, size, or quality. These efforts were vital to the project's success and added substantial value. However, the lower-than-expected bid amount has created a financial challenge for our team.

It is not our practice to request additional fees for every change. Despite our concerns about maintaining the \$20 million budget given the anticipated \$22,539,856 construction cost, we believed we could manage the extra time within a bid that aligned with this \$20 million target. Unfortunately, the nearly \$3 million shortfall has made it difficult to cover our time for requests beyond the standard basic services.

We are requesting consideration for a fee amendment to help cover our team's efforts, even if partially, to ensure everyone's continued success on this wonderful project.

The design team has been tracking the labor for the associated Value Engineering and owner-requested revisions, which are outlined in more detail below:

1. Additional Programming and Redesign After the Departure of the Library Director -

On June 23, 2023, we finalized the floor plan for a Schematic Design pricing set. This floor plan was based on the program information provided by Library Director, John Jackson. Around September of 2023, the Library Director left. It was discovered that the programming and floor plan layout needed to be revisited with the users as they were not given the opportunity to collaborate with the previous director. David Thompson worked with the user groups to correct the situation and WBA worked with David Thompson to revise the floor plans based on user feedback. WBA presented several options spanning from September to December's Mayor's Presentation where the plan was approved to move forward into Design Development. This situation created an additional 3 months of programming verification, plan redesign exploration, and additional presentations that were not anticipated in the original schedule or fee.

2. Value Engineering –

In the spring of 2024, we submitted a 50% Construction Documents Pricing Set to our cost estimator. The returned estimate indicated a need to reduce construction costs by \$2 million to stay within the overall project budget. This increase from the initial estimate, based on the schematic design pricing set, was due to the addition of an emergency generator, new findings

from the Geotech regarding site undercutting, and the city's requirement for significant stormwater detention.

In early June, we collaborated with David and the engineers to devise strategies for reducing the budget without compromising the program or building size. We proposed fourteen value engineering options, which collectively reduced the construction budget by \$2 million. David reviewed these options internally and approved twelve of the options by late June. To maintain the project schedule, we diligently incorporated the drawing changes by July 30th, while simultaneously preparing an early DCM ADA review drawing set and developing criteria for the contractor prequalification process.

While these efforts were crucial for the project's success and resulted in significant budget savings of \$4,553,856 at the bid opening—reducing the anticipated \$22,539,856 construction cost to \$17,986,000—the lower-than-expected bid amount has created a financial challenge for our team, as we are unable to cover our labor costs for the changes made. This financial hardship is compounded by the additional programming rework (per the narrative above) and the rework to accommodate the user requests (as noted in the paragraph below).

3. Ongoing User Requests –

By mid-May, we had advanced the construction document drawing set to 75% completion and started to receive detailed user requests for areas understood to be approved. The various changes ranged from a complete reworking of the plan in particular areas to modifications to already completed details to the addition of new details for new scope. The bulk of these requests were tracked in a log which is attached for reference.

In summary, the requests included:

- STEM/STEAM Equipment Coordination and the addition of a millwork storage wall
- Teens Area Redesign
- User Desk and Millwork Changes throughout the Library
- Computer Lab Revisions and Circulation Desk
- Existing Equipment Clarifications
- Multipurpose Room Modifications
- Warming Kitchen Modifications
- Workroom Modifications
- Children's Area, Sensory Room Modifications
- Culture and Heritage Layout Modifications

We diligently tracked ongoing requests, reworked completed millwork details and room finishes, and coordinated with the engineers on power, data, and plumbing locations. We incorporated these user requests while simultaneously integrating the Value Engineering plan changes.

Throughout this process, we carefully collaborated with David to find solutions that accommodated user requests without compromising budget management.

4. Hybrid General Contractor Pre-Qualification Bid Process –

We collaborated with the city to facilitate a general contractor prequalification process during the first three weeks of the bidding period. We established parameters for the required qualifications in accordance with the Code of Alabama Title 39-2-4. We solicited contractor interest, evaluated and ranked the prequalification packets, and worked with the city to determine which general contractor should be prequalified based on their submittal. This process, which we anticipated as part of our basic service to enhance the qualified contractor competition pool, took approximately three weeks.

Shortly after the prequalification, one contractor expressed frustration with the outcome. The city and its attorney were concerned that the contractor might litigate and halt the bidding process. Although our evaluation process adhered to Title 39-2-4, we worked in good faith with the attorney to mitigate perceived risks by implementing additional measures, including Special Bidder Instructions, to ensure a fair and transparent process allowing both prequalified and non-qualified contractors to bid the project. This effort resulted in a positive, non-litigious bidding process but effectively doubled our efforts beyond the anticipated time.

Fee Amendment Proposal Request

We respectfully request consideration of a fee amendment of \$142,000 to help cover our time for the efforts noted above.

This concludes the Fee Amendment Proposal Request.

We understand that the project budget is concerning to all, and if at all possible, we aim to honor our original fee agreement. We have limited our request to cover the additional costs of our time associated to the changes that have incurred.

Thank you for the opportunity to work with you on this project, we value opportunities to create and continue working relationships in our community. We are happy to meet in person to discuss this proposal further, or if you have any questions or need further information, do not hesitate to contact me.

Sincerely,



Brittany Foley, NCARB, LEED AP BD + C
PRINCIPAL

WILLIAMS BLACKSTOCK ARCHITECTS

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