



**TO:** Board of Contracts and Awards  
**FROM:** Kurtis D. Kingsolver, P.E., Public Works Director/City Engineer *KDK*  
Sue O’Neill, Assistant Division Manager, Public Works Engineering  
**COPY:** City Council, City Manager, City Clerk, SBE Coordinator, LEAP Coordinator, and  
Doreen Klaaskate, Finance/Purchasing  
**SUBJECT:** Contract Increase and Extension – Construction Services for Renovations and Repairs to  
the Pantages Theater and the Jones Building – Contract No. 4600013303  
September 18, 2018  
**DATE:** September 4, 2018

**RECOMMENDATION SUMMARY:**

The Public Works Department requests approval to increase and extend the contract with John Korsmo Construction Inc DBA Korsmo Construction, Tacoma, WA, for renovations and repairs to the Pantages Theater and the Jones Building, by \$1,253,574.42, for a total contract amount of \$5,097,142.42, plus applicable sales tax, for the addition of loose seating, an orchestra shell, production equipment, donor signage, lobby paint and plaster, and lobby roof replacement.

**STRATEGIC POLICY PRIORITY:**

- Foster a vibrant and diverse economy with good jobs for all Tacoma residents.
- Encourage thriving residents with abundant opportunities for life-long learning.
- Cultivate a vibrant cultural sector that fosters a creative, cohesive community.
- Assure outstanding stewardship of the natural and built environment.

The Broadway Center for the Performing Arts (BCPA) operates the Pantages Theater for the City, pursuant to a Management Agreement, and makes the Pantages Theater available to various community performing arts groups in furtherance of the City’s desire to provide a performing arts center for the benefit of the public.

**BACKGROUND:**

On May 8, 2018, Council adopted Resolution No. 40006 authorizing assumption and execution of design and construction agreements previously contracted by the BCPA. This included a contract with John Korsmo Construction Inc DBA Korsmo Construction, Tacoma, WA, for the first phase of construction with a guaranteed maximum price of \$4,231,768, including applicable sales tax, for renovations and repairs to the Pantages Theater and the Jones Building.

**ISSUE:** The contract increase provides for the addition of loose seating, an orchestra shell, production equipment, donor signage, lobby paint and plaster, and lobby roof replacement.

The additional work will extend the contract completion date from November 14, 2018, to March 15, 2019, to accommodate installation of the orchestra shell and production equipment. Work required to re-open the Pantages Theater for performances will be complete by November 14, 2018. The estimated labor hours for the total contract is 10,200 hours.

**ALTERNATIVES:** The City could advertise the additional work separately. The resulting bids would likely result in higher cost and a delayed timeline.



**CONTRACT HISTORY:** Resolution No. 40006 authorized the City’s assumption and execution of the design and construction agreements previously contracted by the BCPA including this contract with John Korsmo Construction Inc DBA Korsmo Construction, for the Pantages Restoration Project. The contract stipulated a guaranteed maximum price of \$4,231,768, including applicable sales tax, for renovations and repairs to the Pantages Theater and Jones Building.

**SBE/LEAP COMPLIANCE:** Not Applicable.

**FISCAL IMPACT:**

**EXPENDITURES:**

FUND NUMBER & FUND NAME *	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 4190- Performing Arts	PAF-00034-EX	5330100	\$ 1,253,574.42
<b>TOTAL</b>			<b>\$ 1,253,574.42</b>

\* General Fund: Include Department

**REVENUES:**

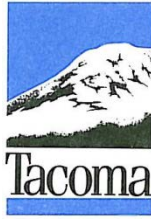
FUNDING SOURCE	COST OBJECT (CC/WBS/ORDER)	COST ELEMENT	TOTAL AMOUNT
FUND 3210-REET 1	814001	4317300	\$ 1,253,574.42
<b>TOTAL</b>			<b>\$ 1,253,574.42</b>

**FISCAL IMPACT TO CURRENT BIENNIAL BUDGET:** \$1,253,574.42

**ARE THE EXPENDITURES AND REVENUES PLANNED AND BUDGETED?** No

**IF EXPENSE IS NOT BUDGETED, PLEASE EXPLAIN HOW THEY ARE TO BE COVERED.**

Additional REET revenues beyond the budgeted amount have been received this biennium. A portion of the surplus revenues will be appropriated at the biennium-end budget modification and directed toward this project, advancing a portion of the City’s 2019-2020 BCPA Capital Campaign commitment.



**City of Tacoma  
Department of Public Works  
Engineering Division**

**Broadway Center for the Performing Arts  
Pantages Theater  
WBS: PAF-00034**

Contract Change Order No. 001

August 23, 2018

**Contract Change Order Agreement**

Date August 23, 2018 Contract Change Order Number 001  
Spec. No. PAF-00034 Federal Aid Project No. \_\_\_\_\_  
Project Title Broadway Center for the Performing Arts-Pantages Theater  
Contractor Korsmo Construction, Inc.

This document is to confirm that the work as described in this Contract Change Order and as instructed by the City of Tacoma Construction Management Division will be performed and completed in accordance with the terms set forth in this contract by the General Contractor and/or their Subcontractor(s) as a change to the original scope of work and amount of this contract. The Contractor expressly agrees that he/she will place under coverage of his/her Performance Bond, Payment Bond and Contractor's Insurance all work covered under this Contract Change Order which exceeds the Original Contract Price by twenty percent (20%). The Contractor will furnish to the City evidence of the increased coverage.

This Contract Change Order agreement is approved by the City of Tacoma and the General Contractor as part of this contract in accordance with the terms of this contract and as described below.

**I. Description**

**II. Contract Time Revisions**

Original contract completion date: November 14, 2018

Revised completion date only for Items #002 Orchestra Shell and Item #003 Production Equipment (\$150,000.00): March 15, 2019

**III. Cost Revisions**

Original Contract Amount (sales tax included): \$ 4,231,768.00

Total Estimated costs due to this Change Order (without sales tax): \$ 1,253,574.42

It is understood and agreed that this adjustment constitutes full compensation on behalf of the General Contractor, its Subcontractors and Suppliers, for all costs directly or indirectly attributable to the change ordered, for all time and/or delays related thereto, and for performance of the change within the time frame stated.

Accepted By: \_\_\_\_\_  
*Korsmo Construction, Inc.*

Date: \_\_\_\_\_

Approved By: \_\_\_\_\_  
Mark L. Henry  
Public Works, Engineering Division

Date: \_\_\_\_\_

cc: Sue O'Neill, PW Engineering  
Contract RFC & Change Order File

CITY OF TACOMA  
DEPARTMENT OF PUBLIC WORKS  
CONSTRUCTION MANAGEMENT DIVISION

**Contract Change Order Agreement**

Date August 23, 2018 Contract Change Order Number 001  
Spec. No. PAF-00034 Federal Aid Project No. \_\_\_\_\_  
Project Title Broadway Center for the Performing Arts-Pantages Theater  
Contractor Korsmo Construction, Inc.

**Reason for Change:**

The City is adding this work as described below because additional funding (which was originally anticipated but not yet realized) became available during the project.

**Scope of Work:**

Scope of work as listed below:

**Payment:**

Payment for this work is as detailed below. If the final sum of this change order is less than the Total Cost listed here within, the difference shall be considered "Savings" which shall accrue to the owner.

Item #	Description	Unit	Qty.	Estimated Unit Price	Estimated Total Cost
001	Loose Seating	LS	1.00	\$25,000.00	\$25,000.00
002	Orchestra Shell	LS	1.00	\$420,000.00	\$420,000.00
003	Production Equipment	LS	1.00	\$150,000.00	\$150,000.00
004	Production Equipment	LS	1.00	\$360,000.00	\$360,000.00
005	Donor Signage	LS	1.00	\$50,000.00	\$50,000.00
006	Lobby Paint/Plaster	LS	1.00	\$40,000.00	\$40,000.00
007	Lobby Roof Replacement	LS	1.00	\$32,000.00	\$32,000.00
008	Korsmo Supervision	LS	1.00	\$13,184.00	\$13,184.00
009	Owner Contingency	LS	1.00	\$68,000.00	\$68,000.00
010	Insurance & Fee	LS	1.00	\$95,390.42	\$95,390.42
<b>Estimated Total Cost</b>					<b>\$1,253,574.42</b>

**Calendar Days:**

The City is only amending the Contract duration for item #002 Orchestra Shell and item #003 Production Equipment. The completion date for item #002 Orchestra Shell and Item #003 Production Equipment is March 15, 2019.