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From the Executive Zoo Director of the Milwaukee County Zoo requesting \$450,173 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) to allocate additional funds for Capital Project WZ018501 Humboldt Penguin Exhibit Renovation, by recommending **REJECTION** of the following:

A RESOLUTION

WHEREAS, adopted File No. 22-335 authorized the Director, Milwaukee County Zoo (Zoo), to accept the State of Wisconsin (the State) Department of Administration (DOA) Tourism Capital Grant (the Grant), in the amount of \$3.5 million, to renovate the Humboldt Penguin Exhibit (the Penguin Project); and

WHEREAS, design for the Penguin Project began on February 2, 2023, using a Construction Manager at Risk delivery method, and the strategy developed was to competitively engage one Construction Manager for the Penguin Project and Adventure Africa Phase 3 - Rhinos (Rhino Project), to overlap construction to minimize the cost burden of General Requirements and General Conditions to Milwaukee County (the County); and

WHEREAS, in anticipation of increased costs for the Penguin Project, adopted File No. 23-942 approved a \$250,000 fund transfer from Zoo funds to the Penguin Project, for a total project cost of \$3,750,000, and the fund transfer was submitted prior to knowing the cost of construction bids, but was done to keep the Penguin Project on track; and

WHEREAS, after preliminary review of the construction bids, the cost for the Penguin Project is \$5,242,729, which is \$1,492,729 over the revised budget of \$3,750,000; and

WHEREAS, the cost overages can be explained by two contributing factors, which are critical design errors caught in the late-stage design phase, and unfavorable market conditions in specialized trade divisions; and

WHEREAS, the Penguin Project will be delayed if the stated additional funding is not approved in the January 2024 meeting cycle of the Milwaukee County Board of Supervisors (County Board), and these delays will have the following negative outcomes:

- 1. Jeopardy of the State DOA Grant Funds - The Penguin Project will be at risk of not being completed within the allocated Performance Period. The estimated amount of \$420,000 would have to be refunded to the Grant program

- 47 2. Additional cost burden of General Requirements and General Conditions -
48 The Penguin and Rhino Projects would not fully overlap. The estimated
49 increase in General Requirements and General Conditions costs to the
50 Penguin Project budget is \$495,000
51
52 3. Additional cost of temporary winter conditions - The start of construction
53 would be delayed. The result would require the Penguin Project to allocate
54 additional funding for temporary winter conditions to ensure proper curing of
55 concrete. This adds additional risk. The estimated increase in temporary
56 winter condition costs is \$255,000
57
58 4. Additional escalation costs of re-bidding - Due to the County Board calendar,
59 the next potential County Board meeting is March 2024. If additional funding
60 was authorized then, the Penguin Project could be required to rebid, as
61 current bids are valid for 60 days. The projection of escalation would be 3.33
62 percent of construction costs. The estimated increase in escalation is
63 \$145,000
64

65 ; and
66

67 WHEREAS, the Committee on Parks and Culture recommended **REJECTION** of
68 File No. 23-1065 (vote 4-1); now, therefore,
69

70 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
71 authorizes and directs the Office of the Comptroller, and the Office of Strategy, Budget,
72 and Performance, to process an administrative appropriation transfer of \$450,173 from
73 Agency 194-1945 - Appropriation for Contingencies
74 (2023 Fiscal Year), and an administrative appropriation transfer of \$1,042,556 from
75 Agency 194-1945 - Appropriation for Contingencies (2024 Fiscal Year), to Capital
76 Project WZ018501 – Humboldt Penguin Exhibit Renovation.
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80 01/23/24
81 S:\Committees\2024\January - February\P&C January 23\Resolutions\23-1065 Humboldt Penguin Exhibit.docx