



Legislation Text

File #: ID#24-1252, Version: 1

SUBJECT/RECOMMENDATION:

Approve a purchase order to Arthur J. Gallagher Risk Management Services, Inc., of Orlando, FL, for a Builder's Risk policy for the Beach Marina Replacement project (21-0008-MA) for a not to exceed amount of \$2,000,000.00 pursuant to Clearwater Code of Ordinances Section 2.563(1)(i), Insurance; approve an increase of a not to exceed loan by \$1,550,000.00, increasing the \$18,000,000.00 fund to \$19,550,000.00 from the Capital Improvement Fund to the Marina Fund; and authorize the appropriate officials to execute same.

SUMMARY:

The City of Clearwater has operated a marina at Clearwater Beach since the 1940's. Over the past 50 years the marina has been repaired but never refurbished or fully replaced. In 2005, the City considered a replacement of only the docks at an estimated cost of \$8 million dollars. That project was not initiated.

On July 15, 2024, City Council approved a Guarantee Maximum Price (GMP) with J. Kokolakis Contracting of Tarpon Springs, a Construction Manager at Risk (CMAR), in the amount of \$43,469,475.00 to replace the Clearwater Beach Marina.

The negotiated GMP requires the City to separately obtain Builder's Risk insurance. Builder's Risk insurance temporarily protects the City and CMAR's buildings, materials, and supplies while under construction. Construction is currently scheduled to conclude in the Spring of 2026. Builder's Risk insurance is different from General Liability coverage or performance bonds, both of which are provided by J. Kokolakis and paid by the City through the GMP.

The City anticipated purchasing Builder's Risk insurance as part of the budgeted non-GMP portion of the project. However, it was estimated at a lower amount -- approximately 1% of GMP, or ~\$450,000.00. This estimate was predicated on staff's historical experience, e.g. the Imagine Clearwater project.

Arthur J. Gallagher, the City's insurance broker, is assisting the City in identifying a Builder's Risk provider for this project. The exact premium is still being negotiated, and may fluctuate depending on deductibles, but Gallagher estimates a not-to-exceed premium in the amount of \$1,924,611.

This agenda item is being presented to Council now, even though the final price may fluctuate slightly, because the CMAR will not commence work until the City obtains a Builder's Risk policy, as required by the approved GMP. The total cost of the Builder's Risk policy will not exceed \$2,000,000.00.

APPROPRIATION CODE AND AMOUNT:

3327332-561300-C1905 \$2,000,000

A first quarter budget amendment will include an increase of \$1,550,000.00 in capital project C1905, Beach Marina Upgrade, which will provide the remaining funding needed for the Builder's Risk Insurance.

STRATEGIC PRIORITY:

High Performing Government 1.2 Maintain public infrastructure, mobility systems, natural lands, environmental resources, and historic features through systematic management efforts. Economic & Housing Opportunity 2.2 Cultivate a business climate that welcomes entrepreneurship, inspires local investment, supports eco-friendly

enterprises, and encourages high-quality job growth. 2.3 Promote Clearwater as a premier destination for entertainment, cultural experiences, tourism, and national sporting events.

