



Legislation Text

File #: 08-0308, **Version:** 1

Resolution to Approve Construction Manager Agreement for Courthouse and Police Facility Project (\$2,369,323.00) (RFP No. 702)

Attached for your review and approval please find a resolution to approve a construction manager agreement with Clark Construction Co. in the amount of \$2,369,323.00 for the Courthouse and Police Facility project.

The project includes 103,000 sq. ft. of new space for the 15th District Court and the Ann Arbor Police. Also part of the project are new elevators for the Larcom Bldg., rehabilitation of the basement of Larcom for new police locker rooms, and remodeling of the first floor for Customer Service, Planning and Development, and Community Services Administration. Extensive sustainable and green building features are employed including zero storm water discharge from the site and LEED certification. The project is included in the current Capital Improvements Plan with an "Urgent" priority.

Because the budget is fixed and timing is critical, we have chosen to use the "construction manager at risk" form of project delivery. The construction manager joins the owner-architect team in the design period and provides its construction expertise during both the design development and construction documents phases. Areas where the construction manager adds value include constructability issues, value engineering, life cycle cost analyses, cost estimating, scheduling, and site logistics.

The construction manager also assists the architect in preparing several bid packages. These will include one for foundations and structural steel, one for excavation and site work, and one for the building. This process allows for early ordering of structural steel, which has a long lead time, and an early start on the site work, both of which can be usefully begun before building plans are finalized. This allows the project to be completed sooner than with the traditional design-bid-build process. The various subcontractor bids are handled by the construction manager following standard city procedures, including public bid openings and awards to the lowest responsible bidders. The probable start of actual construction is February, 2009 with completion in January, 2011.

Because of the construction manager's extensive involvement in design, it is in a position to provide us with a Guaranteed Maximum Price (GMP) during the construction document phase. We expect to establish this GMP in September, 2008. At that point it accepts the performance risk of getting the job done and the price risk of doing it for the guaranteed maximum. The construction manager also has to provide the standard bonds to us - a performance bond and a labor and material bond - as we require on all projects.

We used the quality based selection process to choose Clark Construction Co. A request for qualifications was sent to six regional firms who had expressed interest in the work or were known to be proficient in construction management. A committee consisting of Sue F. McCormick, Public Services Administrator, William R. Wheeler, P.E., Major Projects Manager, Matthew Kulhanek, Fleet &

Facilities Manager, Sumedh Bahl, P.E., Water Treatment Manager, and Kenneth Clein, AIA, Principal, Quinn Evans Architects carefully reviewed the qualifications statements and determined that Clark Construction Co., Skanska USA Building, Inc., and Granger Construction Co. were the most qualified based on experience of their personnel and company on similar projects, LEED/green experience, financial stability, safety record, and history of performing on time and in budget. These three were then invited to submit formal proposals to perform the work needed for this project. The committee reviewed those proposals, interviewed the three firms, and unanimously agreed that Clark Construction Co. offered the best combination of price and quality.

The construction manager is reimbursed for its labor and other direct costs, and receives a fee to cover overhead, bonds and insurance, and profit. Clark Construction's fee was the lowest at 2.9%. The other proposers' fees were 2.95% and 3.9%. Please see the following comparison table for more information on this:

	Clark	Granger	Skanska
Preconstruct. hrs (design phase)	1583*	1137	1226
Preconstruct. cost (hourly rates, not to exceed total)	\$ 95,000	\$ 84,200	\$ 123,300
Const. phase hrs	15,008	14,122	19,952
Const. phase cost at hourly rates, est. total	\$1,000,296	\$934,300	\$1,492,910
Professional Fee in \$ (%) based on \$39,380,000 const. cost	\$1,142,027 (2.9)	\$1,161,710 (2.95)	\$1,535,820 (3.9)**
Reimbursables, estimated	\$ 132,000	\$ 101,250	\$ 281,100
Total	\$2,369,323	\$2,281,460	\$3,433,130

* Note that Clark has considerably more hours committed to the design phase which should result in more options for cost savings.

** Skanska quoted 2.1% but did not include the bonds and insurance as requested; these add 1.8%.

Clark Construction received Human Rights and Living Wage approval on March 20, 2008. Sufficient funds for this agreement are included in the Civic Center Fund budget.

Prepared by: William R. Wheeler, P.E., Major Projects Manager
 Reviewed by: Sue F. McCormick, Public Services Administrator
 Approved by: Roger W. Fraser, City Administrator

Whereas, The approved Capital Improvements Plan includes the Courthouse and Police Facility Project (Project ID No. MF-CB-01-01) with an "Urgent" priority rating;

Whereas, It is necessary to employ a construction manager to assist in preconstruction design and construction the facility;

Whereas, Clark Construction Co. of Lansing, Michigan was selected to perform this work for \$2,369,323.00 based on the experience of its personnel, competitive fee structure, and quality of proposal;

Whereas, Sufficient funds for this are included in the Civic Center Fund budget (Fund 0008); and

Whereas, Clark Construction Co. received Human Rights and Living Wage approval on March 20, 2008;

Resolved, That a construction manager agreement in the amount of \$2,369,323.00 is authorized with Clark Construction Co. (RFP No. 702), plus a contingency of \$118,467.00 (5%) for any necessary changes authorized by the administrator;

Resolved, That the Mayor and City Clerk are authorized and directed to execute the construction manager agreement with Clark Construction Co. after approval as to substance by the City Administrator and as to form by the City Attorney;

Resolved, That the City makes the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds; and

Resolved, That the City Administrator is authorized to take any administrative actions necessary to implement this resolution.