



Date: February 5, 2019

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Steven W. Hicks, Director, General Services Department
Subject: Hoover Road Athletic Park Project Construction Manager at Risk (CMAR)
Contract for Preconstruction Services with Skanska USA Building Inc.

Executive Summary

In October of 2018, a Request for Qualifications (RFQ) was advertised for Construction Manager at Risk (CMAR) Services for the coordination and construction of the Hoover Road Athletic Park. The site is located across from the Wheels Fun Park on Hoover Road in east Durham. The park program includes: four (4) soccer fields, a restroom facility, access roads, walking trails, play areas, and associated parking. Given the high profile nature of this project and desire to bring the facility online as soon as possible, the CMAR project delivery method was chosen to control cost, ensure quality, while providing an opportunity for an expeditious delivery schedule.

Recommendation

The Department of General Services recommends that the City Council:

To adopt the Resolution Approving the use of Construction Manager at Risk Services pursuant to G.S. 143-128.1 for the Hoover Road Park Project; and

To authorize the City Manager to negotiate and execute a CMAR contract with Skanska USA Building Inc. for preconstruction services for the Hoover Road Park Project in the lump sum amount not to exceed \$50,000.00.

Background

Prior to purchasing this property, DPR evaluated this project's potential against the 2013 Parks and Recreation Masterplan. The Facilities plan for community parks recommends developing new parks to have athletic facilities adequate for league and adult play. Durham currently has 14 publicly owned soccer fields. The current population of Durham is approximately 268,000, which would call for 26 public soccer fields (based upon a recommendation of one field per 10,000 residents). The development of new fields at this site would help close the gap and provide a much needed tournament site in Durham.

At the time of the property purchase, the City developed a test fit to determine the viability of the property for athletic field development. The property was previously partially graded for athletic fields by a private entity who ultimately abandoned the project. Preliminary test fits show capacity for four soccer fields.

GSD advertised a Request for Qualifications (RFQ) to CMAR firms on the City's website in August 2018. Four firms submitted statements of qualification. A team of City staff from two

departments evaluated the submittals. The departments included GSD and EOEA. Two firms were short listed and interviewed based on their scores. The Skanska project team was selected because they demonstrated a strong understanding of the Athletic field development, minority outreach, and project schedule and budget compliance.

Project Delivery Method Analysis

The General Services' Project Management Division is tasked with managing the design and construction of this project. Given the high profile nature of this project the CMAR procurement method was chosen to help control cost, ensure a quality project, while still providing an opportunity for an expeditious delivery schedule. Under a CMAR, public owners benefit from having input from construction personnel during design (preconstruction phase) to help control cost and mitigate risk with complex site issues to ensure the project is within the targeted budget at the time of bid. With CMAR a collaborative design process with contractor input at the earliest stages is possible. A phased construction with early construction packages is an option that is also desirable for this project and possible with CMAR delivery method.

City staff recommended CMAR as the best method for this project. The Construction Management at Risk delivery method allows the construction management firm to be selected using a qualifications based selection process; the CMAR serves as the City's fiduciary and coordinates subcontract bid packages to develop optimum competition and compliance with the City's EBOP program as well as Workforce Development program objectives; CMAR is the delivery method that most closely affords the benefits of integrated project delivery, high levels of design quality assurance, and affords the greatest opportunity for innovation as the CMAR and Design teams are involved in project development during the design and preconstruction phase as an integrated team. This allows the team to provide design and preconstruction services in the best interests of the project and as a team throughout the project lifecycle.

Overview of the RFQ Process

Request for Qualifications (RFQs) for Construction Manager at Risk Services were advertised on October 8, 2018. City staff held the Pre-Proposal Conference on November 1, 2018. Proposals were received from respondent firms on November 6, 2018. Upon receipt, City staff forwarded the proposals to the Equal Opportunity and Equity Assurance (EOEA) Department for compliance determination with the City's Equal Business Opportunity Program Ordinance. Four (4) Construction Manager at Risk proposals were deemed compliant and were distributed to members of the interdepartmental review team for evaluation. Members of the evaluation committee independently reviewed and scored the proposals based on criteria outlined in the RFQs for Professional Services and CMAR.

The evaluation team's individual scoring sheets were compiled by General Services. The team met to discuss the cumulative RFQs and scoring results and a "shortlist" was developed of the respondent firms. Finalist interviews for the CMAR firms were held on December 14, 2018. The interview panel included: Shanika Baughman (EO/EA), Jina Propst (GSD), Henri Prosperi (GSD), William Francis (GSD), and Rod Florence (GSD). Scoring results and averaging from interviews rank as follows:

Ranking for CMAR Firms

1. Skanska USA Building Inc.
2. Balfour Beatty
3. La Chase Construction

4. Atlantic Corporate Contracting

Following interviewing the top two firms, City Staff investigated workforce statistics of each firm to provide a comparable summary.

Staff notified the firms of the ranking results and that Staff was proceeding with fee negotiations with the top ranked firm. Firms were notified that should negotiations be unsuccessful, Staff would move to the number 2 ranked firm. Thereafter, Staff received draft fee proposals from Skanska. Multiple meetings and negotiations regarding fee, scope of services and contract terms has been ongoing, as well as other pre- contract meetings and planning.

Issues and Analysis

As described above, Construction Management at Risk delivery method has been recommended as the delivery method that is in the best interest of the Project. Negotiations with the CMAR- Skanska, has resulted in a lump sum fee for preconstruction services as further described in attached construction management sample contract in the amount of \$50,000. The preconstruction services include, but are not limited to, cost estimating, constructability review, logistics, phasing, scheduling, and other services coordinated and provided in conjunction with services provided by the Designer. The preconstruction phase is scheduled to be 12 months in duration, resulting in presentation of a Preliminary Guaranteed Maximum Price (PGMP) to City Council for approval in order to authorize bidding, followed by execution of a final Guaranteed Maximum Price (GMP) and contract amendment for construction phase services. The PGMP will be prepared and submitted to City Council for authorization and approval. The construction management fee during construction phase will be negotiated as a percentage of final construction cost of work plus contract compliance costs, currently estimated at \$7,000,000.00. Contract compliance costs consist of general conditions required for the construction phase, bonds, and insurance. The contract compliance costs are subject to change dependent upon final design, subcontract cost of work and schedule; although it is the CMAR's responsibility to present a Guaranteed Maximum Price (GMP) for acceptance within the Owner's budget. The construction phase for the project is estimated to be 12 months in duration. Skanska will develop and enter into an Underutilized Business Enterprise Strategic Plan with the City of Durham's Equal Opportunity/ Equity Assurance Department that is a contract exhibit and will serve as the plan for engagement with the UBE community. Skanska will coordinate with the City of Durham's Office of Economic and Workforce Development, preparation and execution of a workforce development plan that will serve as a plan for engagement with the City's workforce. That plan will be developed and submitted for approval and execution prior to issuance of a contract amendment for construction. Both plans require quarterly reporting and updates.

The Hoover Road Athletic Park project will require close coordination by and between the Project team, Durham Parks and Recreation and other City departments, and community stakeholders. The integrated project approach of contracting for concurrent design and CMAR preconstruction services presents an opportunity to develop and deliver a project that achieves the goals of the end users and City-wide community.

Alternatives

Approving the CMAR preconstruction services for the Hoover Road Athletic Park Project is recommended as the only viable alternative for consideration to maintain the goal of an expedited construction delivery schedule.

Financial Impact

Funds for this project are currently budgeted and available as follows:

FUNDING SOURCES

Total Revenues (CIP FY 2019)	\$8,955,660.00
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PROJECT COSTS

Design

Design	3000H000/731003/CH319	\$ 726,380.00
Design Contingency	3000H000/731900/CH319	\$ 72,638.00
Design Total		\$ 799,018.00

Construction

Permitting	3000H000/731000/CH319	\$ 140,000.00
Owner's costs	3000H000/731000/CH319	\$ 100,000.00
Public Art	3000H000/732301/CH319	\$ 75,000.00
CMAR	3000H000/731000/CH319	\$ 50,000.00

Preconstruction

Construction	3000H000/731000/CH319	\$7,078,762.00
Contingency	3000H000/731900/CH319	\$ 712,880.00
Construction Total		\$8,156,642.00

Total Expenditures \$8,955,660.00

Equal Business Opportunity Summary

No MUBE or WUBE goals were set.

*The actual percentage and dollar amount will be confirmed once the PGMP is finalized.

Workforce statistics for Skanska USA Building Inc. are as follows:

Total Workforce	179	
Total Females	34	(19%)
Total Males	144	(81%)
Black Males	12	(8%)
White Males	124	(86%)
Other Males	8	(6%)
Black Females	4	(12%)
White Females	28	(82%)
Other Females	2	(6%)

Attachments

CMAR Contract
Exhibit A-Deliverable
Exhibit B-Resolution
Site Map