



Date: December 5, 2022

To: Wanda S. Page, City Manager
Through: Bertha T. Johnson, Deputy City Manager
From: Jina B. Propst, Director, General Services Department
Subject: Durham Station Transit Center Improvements Project Construction Manager at Risk Contract for Preconstruction Services with Samet/ W.C. Construction, a Joint Venture

Executive Summary

City staff has selected a Construction Manager at Risk (CMAR) firm to provide design and construction administration services for improvements to the Durham Station Transit Center located at 515 West Pettigrew Street. The project scope consists of improvements to the bus island, including additional shade and weather protection through enhanced canopies, additional public restrooms, integrated seating, and a new customer service and security kiosk. The project scope also increases the number of bus bays from 20 to 28, allowing for increased transit service. Special consideration will be given to phasing construction activities to ensure that services remain minimally impacted for the duration of construction. Given the high-profile nature of this project and the need for highly developed construction sequencing and planning, the CMAR project delivery method was chosen to control cost and ensure quality, while providing an opportunity for an expeditious delivery schedule.

A Request for Qualifications (RFQ) for Construction Manager at Risk Services was advertised on the City of Durham website on May 24, 2022. Samet/ W.C. Construction, a Joint Venture, comprised of Samet Corporation and W.C. Construction Company, LLC (Samet) was selected from an evaluation and interview process by members of City staff from General Services, Transportation and the Finance Departments.

Motion

To adopt the resolution finding that the use of construction manager at risk services is in the best interest of the Durham Station Transit Center Improvements Project pursuant to G.S. 143-128.1(e); and

To authorize the City Manager to negotiate and execute a Construction Manager at Risk contract with Samet/ W.C. Construction, a Joint Venture for preconstruction services for the Durham Station Transit Center Improvements project in the amount of \$90,002.

Background

Durham Station Transit Center is central and critical to transit in the City of Durham now and will remain vital to successful transit in the future. Periodic review of ridership experience and evaluation of changes in the surrounding city landscape are needed to ensure the continued success of the transit system. In 2011, a detailed post-occupancy study of Durham Station, its users, and pedestrian movement on site was performed resulting in the development of concepts for station enhancements.

In 2020, GoTriangle led an effort to validate those previous findings and to provide a Schematic Design for improvements which would be the basis for a construction project to enhance the Transit Center in response to the findings. The scope of work for the 2020 effort included Ridership Survey Collection and Validation of Existing Data, Programming and Conceptual Design, and Schematic Design and resulted in the 100% Schematic Design document being used as the basis for the next phase of the project.

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 and the need for highly developed construction sequencing and planning, the CMAR procurement method was recommended by City staff to help control cost and ensure a quality project, while still providing an opportunity for an expeditious delivery schedule while maintaining continuous transit operations during construction.

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 (RFQ) for Construction Manager at Risk Services was advertised on May 24, 2022. City staff held the pre-submittal conference on June 1, 2022. Proposals were received from respondent firms on June 24, 2022. Upon receipt, City staff forwarded the proposals to the Finance Department – Underutilized Business Compliance Division for compliance determination with the City's Equal Business Opportunity Program Ordinance. Two (2) Construction Manager at Risk proposals were received, 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. Interviews for the CMAR firms were held on August 10, 2022. The interview panel included City staff from the General Services, Transportation and Finance Departments. Results from the interviews rank as follows:

Ranking for CMAR Firms

1. Samet/ W.C. Construction, a Joint Venture
2. Balfour Beatty/ Right Build International – Durham Station; A Joint Venture

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 Samet. Meetings and negotiations regarding fee and scope of services has resulted in a final proposal for pre-construction phase services.

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-Samet has resulted in a lump sum fee for preconstruction services as further described in the attached construction management contract in the amount of \$90,002. 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 projected to be sixteen (16) months in duration, resulting in the 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 the construction phase will be negotiated as a percentage of the final construction cost of work plus contract compliance costs, currently estimated at \$11,000,000. 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 twelve (12) months in duration. Samet will develop and enter into an Underutilized Business Enterprise Strategic Plan with the City of Durham's Finance Department's Underutilized Business Compliance Division that is a contract exhibit and will serve as the plan for engagement with the UBE community. Samet will coordinate with the City of Durham's Office of Economic and Workforce Development, in 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 the issuance of a contract amendment for construction. The plan will require quarterly reporting and updates.

The Durham Transit Center Improvements project will require close coordination by and between the Project team, Transportation 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.

Approval of the CMAR contract will allow Samet to proceed with pre-construction phase services for the Project. Pre-construction phase services will align with the projected design schedule, which includes sixteen (16) months for design, permitting and bidding. The schedule includes a projected twelve (12) months for construction activities, with a planned Project completion in early 2025.

Alternatives

City Council could elect to not approve the proposed design contract with Samet and direct staff to re-advertise the RFQ or not pursue the project. If the contract is not approved the design and construction schedule would be delayed, putting grant funding at risk, and construction cost would be impacted by escalation.

Financial Impact

This project has been awarded Federal Transit Authority grant funding totaling \$10,800,000, which requires a 20% local match totaling \$2,700,000. The \$2,700,000 local match is reimbursable to the City of Durham through the Durham County Transit Plan's ½ cent transit sales tax. Funds for this project are currently budgeted and available as follows:

FUNDING SOURCES

FY 2023 Transit Fund	\$2,700,000.00
Federal Transit Authority Grant	\$10,800,000.00
Total Revenues	\$13,500,000.00

PROJECT COSTS

Professional Services	\$ 1,517,800.00
Professional Services Contingencies	\$ 104,000.00
Pre-Construction Phase Fee	\$ 90,002.00
Construction	\$10,962,848.00
Construction Contingencies	\$ 346,700.00
Owner administrative tasks	\$ 247,550.00
Public Art	\$ 231,100.00
Total Expenditures	\$13,500,000.00

Equal Business Opportunity Summary

The Underutilized Business Compliance Division has determined that there are no MUBE or WUBE goals for this project. This is a Request for Qualifications for a Construction Manager at Risk (CMAR) with no subcontracting opportunities identified by the Department of General Services. A UBE utilization plan for the construction phase of the project is under review.

Contractor Workforce Diversity & Hiring Practices

According to the contractor’s responses to the “Contractor Workforce Diversity Questionnaire,” (see attached) the contractor is a large employer (over 100 employees) consisting of a mix of professional, skilled and unskilled workers and laborers. The contractor believes it has a diverse workforce and promotes diversity through consistent recruiting from under-represented areas, growing their Students in Construction Program, which includes women and minority mentors, and keeping an open dialog with personnel.

WORKFORCE STATISTICS

Total Workforce:

Employment Category	Total Employees	Total Males	Total Females
Project Manager	83	72	11
Professional	361	316	45
Labor	8	8	0
Clerical	33	2	31
Total	485	398	87

Male:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	61	4	5	1	0
Professional	269	19	19	2	0
Labor	4	4	0	0	0
Clerical	2	0	0	0	0
Total	336	27	24	3	0

Female:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	5	3	1	1	0
Professional	36	2	4	2	0
Labor	0	0	0	0	0
Clerical	27	1	2	0	0
Total	68	6	7	3	0

Attachments

Attachment A: CMAR Contract

Attachment B: Resolution

Attachment C: Workforce Diversity Questionnaire

Attachment D: 100% Schematic Design Concept Images