


COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	23-435	Meeting:	October 2, 2023
	Agenda Item:	7	Roll Call:	23-1291
	Submitted by:	Steven L. Naber, P.E., City Engineer and James M. Hoff, Assistant City Manager		

AGENDA HEADING:

Authorizing issuance of a Notice of Intent to Enter into a Guaranteed Maximum Price (GMP) Contract Pursuant to Iowa Code Chapter 26A for the City Facility Expansion Phase 1 Improvements and authorization for staff to proceed pursuant to Iowa Code Chapter 26A.

SYNOPSIS:

Recommend the City Council authorize issuance of a Notice of Intent to Enter into a Guaranteed Maximum Price Contract Pursuant to Iowa Code Chapter 26A for the City Facility Expansion Phase 1 Improvements and authorization for staff to proceed pursuant to Iowa Code Chapter 26A.

FISCAL IMPACT:

Amount: \$19,150,000 – City Engineer’s Pre-Construction Services & Construction Estimate, including Construction Manager fees and estimated Cost of Work

Funding Source: 2023-2024 Capital Improvement Program (CIP), Page 62, City Facility and Armory Replacement, BL133, Being: General Fund Loan, Local Option Sales and Service Tax, Land Sales, and General Funds made possible from American Rescue Plan Act Funds

ADDITIONAL INFORMATION:

- On July 1, 2022, Senate File 183 established a new Chapter 26A of the Iowa Code, which allows and authorizes public improvement projects to be constructed under the Construction Manager at Risk (CMR) project delivery method.
- CMR is defined in Iowa Code Chapter 26A as a sole proprietorship, partnership, corporation, or other legal entity that assumes the risk for construction, rehabilitation, alteration, or repair of a project and provides consultant services to the government entity in the project development and design phases, working collaboratively with the design professionals involved. A CMR project delivery method involves the negotiation of a GMP for the project with a construction manager who agrees to complete the project for the public entity-owner within the GMP. The GMP includes the cost of the construction work (including work performed by subcontractors and any self-performed work by the construction manager), plus the construction manager’s negotiated fee. CMR cannot be used on highway, bridge, or culvert construction projects.

- As a starting point, under Chapter 26A, if the City intends to utilize the CMR method and enter into a GMP contract, the City must publicly disclose its intent to do so and the City's selection criteria at least 14 days prior to posting a Request for Statement of Qualifications seeking a contractor to serve as a CMR. The City is required to publicly disclose the intent in a relevant construction lead generating service with statewide circulation, and on an internet site sponsored by either the City or a statewide association that represents the City.
- City staff have prepared a Notice of Intent, Request for Qualifications, and Request for Proposals with the intention of being used to procure a CMR. It is anticipated that City staff will interview and select a CMR in January 2024 to enter into negotiations of an Agreement for subsequent City Council consideration, with an anticipated issuance of a Notice to Proceed in March 2024.
- In late 2022, the City hired OPN Architects to conduct a Pre-Design/Programming Study for this project. The study culminated in a June 2023 report. The report identifies space needs, analyzes existing conditions at the available 1200 Locust and 1200 Mulberry facilities, illustrates test fits associated with options for relocating City departments to these facilities, and provides high-level cost estimates and phasing recommendations for the project. Based on that report, the City is proceeding with next steps to acquire these properties.
- The City is preparing to purchase the properties and proceed with a Phase 1 renovation project, pending the outcomes of final due diligence steps and real estate closing preparations. A primary goal of the Phase 1 project is to vacate the Argonne Armory Building and leased spaces at Polk County River Place.
- The Phase 1 project is anticipated to include: selective demolition; interior renovation of portions of the 1200 Locust office building for City administrative offices, public meeting rooms, customer service areas and lobbies; building infrastructure improvements associated with the renovation, including structural, mechanical, and electrical work; and modifications at the 1200 Mulberry parking garage to accommodate City fleet vehicles, including electric charging stations.
- The estimated GMP for construction is \$19,000,000, with an additional estimated \$150,000 for Pre-Construction services. The design consultant will prepare proposed plans, specifications, and form of contract documents available for public inspection.

Project Site Map



PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Anticipated actions include: approving contract for professional architectural and engineering services for Phase 1; approving contract and approving Guaranteed Maximum Price Amendment to contract; also partial payments to the CMR and final acceptance of work.

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