


COUNCIL COMMUNICATION

	Number:	24-163	Meeting:	April 15, 2024
	Agenda Item:	6	Roll Call:	24-0557
	Submitted by:	James M. Hoff, Assistant City Manager, and Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Approving Agreement with McGough Construction Co., LLC for Construction Manager at Risk (CMR) services for the City Facility Expansion Phase 1 Improvements, with pre-construction services not to exceed \$71,120.

SYNOPSIS:

Recommend approval of the Agreement with McGough Construction Co., LLC (Thomas McGough, Jr., President, 2737 Fairview Avenue, North, St. Paul, MN 55113) for a total cost not to exceed \$71,120, based on hourly rates, to provide pre-construction services for the City Facility Expansion Phase 1 Improvements project.

FISCAL IMPACT:

Amount: \$71,120

Funding Source: Fiscal Year (FY) 2023-2024 Capital Improvement Program (CIP), Page 62, City Facility and Armory Replacement, BL133; Being: General Fund Loan, Local Option Sales and Service Tax (LOSST), Land Sales, and General Funds made possible from American Rescue Plan Act (ARPA) 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 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 Guaranteed Maximum Price (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.

- City staff prepared and issued a Notice of Intent, Request for Qualifications (RFQ), and Request for Proposals (RFP) with the intention of being used to procure a CMR. A selection committee of Engineering and Facilities staff received and reviewed the 10 Statements of Qualifications (SOQ) received in response to the RFQ. The 10 firms whose SOQs were responsive and met the qualifications were invited to submit an RFP. Subsequently, the selection committee reviewed the 10 proposals received in response to the RFP and interviewed the top three (3) scoring firms submitting proposals. McGough Construction Co., LLC was selected to provide CMR services for this project based upon the selection criteria in the RFQ and RFP, as well as their demonstrated project approach, understanding, and related project experience.
- The Scope of Services to be performed by the Construction Manager under this initial Agreement will be for pre-construction services and shall include design review and constructability recommendations, scheduling, cost estimating, value engineering, construction bid packaging, and subcontractor and supplier procurement in compliance with the requirements of Iowa Code Chapter 26A.
- City staff have negotiated an Agreement with McGough Construction Co., LLC for a total cost not to exceed \$71,120, based on hourly rates, to provide pre-construction services for the City Facility Expansion Phase 1 Improvements CMR project.
- At a time to be mutually agreed upon by the City and the Construction Manager, the Construction Manager shall prepare a GMP proposal (and potential interim GMP proposals) including the sum of the estimated Cost of the Work, contingencies, and the Construction Manager's Fee percentage as established in the RFP. A GMP amendment to this Agreement will require future Council action before the construction phase of the project can begin.
- Prior to the review of CMR Statements of Qualifications and Proposals, OPN, Inc. was selected to provide architectural design services based on their team's qualifications, experience with similar projects, excellent performance in executing the six (6)-month City Facility Expansion Pre-Design study, knowledge of the existing facilities at 1200 Locust Street and 1200 Mulberry Street accumulated through the Pre-Design study and prior experience, and thorough understanding of City of Des Moines space needs, developed during the Pre-Design study. On October 23, 2023, by Roll Call No. 23-1409, City Council approved a PSA with OPN, Inc. for design services. As part of their pre-construction services, McGough Construction Co., LLC will work very closely with OPN, Inc. during the design process with the intent to develop a cost-efficient and constructable design for this project.
- The Phase 1 project is anticipated to include: selective demolition and 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 construction cost for the Phase 1 project is \$19,500,000.
- Construction is scheduled to begin in late 2024 and take approximately 15 months to complete.



PREVIOUS COUNCIL ACTION(S):

Date: October 23, 2023

Roll Call Number: [23-1409](#)

Action: [Approving](#) exception to Request for Proposal process for good cause and approving Professional Services Agreement with OPN, Inc. d/b/a OPN Architects, Inc. for the City Facility Expansion Phase 1 Improvements Project, not to exceed \$2,240,660. ([Council Communication No. 23-455](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 6-0.

Date: October 2, 2023

Roll Call Number: [23-1291](#)

Action: [Authorizing](#) issuance of a Notice of Intent to Enter into a 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. ([Council Communication No. 23-435](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City staff anticipate future Council action on this Agreement to approve interim and final GMP Amendments related to proceeding with construction of the City Facility Expansion Phase 1 Improvements project.

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