


COUNCIL COMMUNICATION

	Number:	24-363	Meeting:	September 16, 2024
	Agenda Item:	12	Roll Call:	24-1219
	Submitted by:	James M. Hoff, Assistant City Manager, and Steven L. Naber, P.E., City Engineer		

AGENDA HEADING:

Approving Guaranteed Maximum Price (GMP) Amendment No. 1 with McGough Construction Co., LLC for Construction Manager at Risk (CMR) services for the City Facility Expansion Phase 1 Improvements, not to exceed \$1,634,676.

SYNOPSIS:

Recommend approval of the GMP Amendment No. 1 with McGough Construction Co., LLC (Thomas McGough, Jr., President, 2737 Fairview Avenue, North, St. Paul, MN 55113) for a total cost not to exceed \$1,634,676 for the City Facility Expansion Phase 1 improvements project at 1200 Locust Street, recently named the T.M. Franklin Cownie City Administration Building.

FISCAL IMPACT:

Amount: \$1,634,676

Funding Source: Fiscal Year (FY) 2024-2025 Capital Improvement Program (CIP), Page 50, 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 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.

- City staff prepared and issued a Notice of Intent (NOI), Request for Qualifications (RFQ), and Request for Proposals (RFP) with the intention of being used to procure a CMR for the construction of the project. 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 performed by the Construction Manager under this Agreement for pre-construction services has included design review and constructability recommendations, scheduling, cost estimating, value engineering, construction bid packaging, and subcontractor and supplier procurement.
- The Construction Manager has assembled a bid package for the demolition of interior finishes, interior walls, and select existing mechanical, electrical, and plumbing components, as required for the renovation project. The early bid package for this demolition scope begins the construction phase of the project, allowing for timely completion of the project. Interior demolition being completed sooner in the construction cycle also provides an opportunity to discover potential unforeseen conditions earlier in the process, thus reducing the potential for causing significant disruption to the construction schedule, allowing the design of upcoming bid packages to be based on additional information. The Construction Manager has posted an RFQ, evaluated potential subcontractor qualifications, issued bid documents to the qualified subcontractors and requested them to submit a bid. The Construction Manager and City have opened, reviewed, and tabulated the bids. Iowa Demolition Earth Services and Abatement has been deemed the lowest responsive, responsible bidder to be the Construction Manager's subcontractor for this scope of work.
- The Construction Manager has prepared an Interim GMP (i.e., GMP Amendment No. 1) proposal for this demolition package, including the Cost of the Work, contingencies, and the Construction Manager's Fee percentage as established in the RFP. This Interim GMP amendment to the original Agreement requires Council action to allow the start of interior demolition.
- The Agreement between the City and the Construction Manager clarifies that if there is more than one (1) GMP Proposal submitted for the Project, then each subsequent proposal will incorporate the prior agreed upon GMP to ensure there is ultimately one (1) cumulative GMP for the Project.
- A subsequent Cumulative GMP amendment to award the remainder of the construction bid packages is scheduled to be brought before the Council for consideration in January 2026.
- The entire City Facility Expansion Phase 1 Improvements project includes: 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.
- The construction phase of this project is scheduled to begin following Council approval and take approximately 12 months to complete. Furniture installation, equipment set-up, and additional start-up activities are planned to take an additional three (3) months after construction completion. City departments are planned to move to the facility during the first quarter of 2026.



PREVIOUS COUNCIL ACTION(S):

Date: June 17, 2024

Roll Call Number: [24-0897](#)

Action: [Purchase](#) of furniture services for T.M. Franklin Cownie City Administration Building (1200 Locust Street) from Pigott Inc. (John Stenberg, Owner) using State of Iowa Master Agreement and OMNIA Partners Contract, and authorizing negotiation and execution of Supplemental Agreement with Pigott, Inc., \$524,899. ([Council Communication No. 24- 249](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

Date: April 15, 2024

Roll Call Number: [24-0557](#)

Action: [Approving](#) Agreement with McGough Construction Co., LLC for Construction Manager at Risk services for the City Facility Expansion Phase 1 Improvements, with pre-construction services not to exceed \$71,120. ([Council Communication No. 24-163](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: June 18, 2024

Resolution Number: C

Action: Approval of design, subject to the Board's input.

Board: Access Advisory Board

Date: June 20, 2024

Resolution Number: Pending

Action: A consensus of the members present recommended this project as presented.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City staff anticipate future Council action on this Agreement to approve a GMP Amendment No. 2 related to proceeding with the construction of the City Facility Expansion Phase 1 improvements project.

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