


COUNCIL COMMUNICATION

	Number:	25-006	Meeting:	January 13, 2025
	Agenda Item:	8	Roll Call:	25-0016
	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. 2 with McGough Construction Co., LLC for Construction Manager at Risk (CMR) services for the City Facility Expansion Phase 1 Improvements, not to exceed \$17,889,445.75.

SYNOPSIS:

Recommend approval of the GMP Amendment No. 2 with McGough Construction Co., LLC (Thomas McGough, Jr., President, 2737 Fairview Avenue, North, St. Paul, MN 55113) for a total cost not to exceed \$17,889,445.75 for the City Facility Expansion Phase 1 Improvements project at 1200 Locust Street, previously renamed as the T.M. Franklin Cownie City Administration Building.

FISCAL IMPACT:

Amount: \$17,889,445.75

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, G.O. Bonds, and Tax Increment Funding (TIF) Bonds

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 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.
- An Interim GMP for interior demolition was approved by City Council on September 16, 2024, by Roll Call No. 24-1219, for an amount not to exceed \$1,634,676. This Interim GMP Amendment No. 1 began the construction phase of the project with the demolition of interior finishes, interior walls, and select existing mechanical, electrical, and plumbing components that are required to complete construction of the building renovation project. Beginning demolition prior to the completion of 100% bid documents is anticipated to result in a construction completion date four (4) months sooner than if the demolition scope was bid out with the 100% bid documents.
- The Construction Manager has assembled a bid package for the remainder of the scope to complete construction of the building renovation project according to the construction plans and specifications. The Construction Manager posted an RFQ, evaluated qualifications, and issued bid documents to qualified subcontractors, requesting them to submit a bid for work in which they have a particular expertise. The Construction Manager and City have received, opened, reviewed, and tabulated the bids. The following bidders have been deemed to be the lowest responsive, responsible bidders for their respective bid packages to be the Construction Manager's subcontractor for the associated scope of work:

<u>Bid Package</u>	<u>Subcontractor</u>
01 – Demolition	Iowa Demolition Earth Services & Abatement [September 16, 2024]
02 – Cast-in-Place Concrete	Jensen Builders
03 – Stone Masonry	Not Used
04 – Steel Materials & Erection	Steel Erectors of Iowa
05 – Rough Carpentry	McGough Construction Co., LLC
06 – Casework & Finish Carpentry Materials	Architectural Arts
07 – Finish Carpentry Install	McGough Construction Co., LLC
08 – Doors, Frames, & Hardware Material	Walsh Doors & Security
09 – Doors, Frames, & Hardware Install	McGough Construction Co., LLC
10 – Aluminum Doors and Frames, Glazing, & Mirrors	Elite Glass & Metal
11 – Gypsum Board Assemblies & Ceilings	Allied Construction Services
12 – Tile and Resilient Flooring	Poindexter
13 – Painting & Wall Coverings	Jarnagin Painting

14 – Signage	To Be Determined
15 - Specialties	McGough Construction Co., LLC
16 – Equipment	Not Used
17 – Window Shades	McGough Construction Co., LLC
18 – Fire Suppression Systems	Summit Fire Protection
19 – Plumbing & HVAC	Cerris Systems
20 – Electric & Low Voltage Communications	Waldinger
21 – Audio Visual Systems	CTI

- The Signage Bid Documents for Bid Package #14 are planned to be completed and ready to bid the first quarter of 2025. The Construction Manager will issue bid documents to qualified subcontractors to submit a bid. An allowance has been included in GMP Amendment No. 2 to account for this scope of work.
- McGough Construction Co. LLC notified the City of its intent to submit a bid proposal on Bid Packages 5, 7, 9, 15, and 17. Following Iowa Code Ch 26A, the City received these bids, participated in and provided oversight of all bid analyses pertinent to the award of subcontracts, or rejection of bids, on any trade packages for which the Construction Manager submits a bid to self-perform. McGough Construction Co. LLC was the low-bidder on these packages.
- The Construction Manager has prepared a GMP proposal for the complete scope of work for the City Facility Expansion Phase 1 Improvements project as scoped in the bidding plans and specifications that were developed by the design architect, including the Cost of the Work, contingencies, and the Construction Manager’s Fee percentage as established in the RFP. This GMP Amendment No. 2 to the original Agreement requires Council action to continue the construction of the Project. While approval of this GMP will set the maximum cost for the work detailed in the bidding plans and specifications, subsequent additions to the scope of work detailed in the design plans could result in the need for a future change order.
- Due to the nature of building rehabilitation work, construction allowances are required to account for work items that are known to be needed but are unable to be quantified with them being hidden within an existing building. For this project, the Construction Manager outlined 16 work allowances totaling \$881,000. These allowance cost estimates have been incorporated into GMP Amendment No. 2 and any unused funds shall be returned to the City. These allowances will be used for the following conditions: (1) existing conditions discovered during demolition but could not be fully quantified for purposes of developing GMP No. 2, (2) a reconfiguration of alternates to better align with needs, or (3) items which were not incorporated into the construction bid documents but have subsequently been identified as needs.
- This GMP Amendment No. 2 incorporates the prior agreed upon GMP Amendment No. 1, to ensure there is one (1) cumulative GMP for the Project. The fiscal impacts stated for GMP Amendment No. 2 include the previously approved fiscal impacts from GMP Amendment No. 1.
- 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, City Council chambers, public meeting rooms, customer service areas and lobbies;

building infrastructure improvements associated with the renovation, including structural, mechanical, plumbing, electrical, carpentry, framing, doors, flooring, windows, painting, fire suppression, communications, and audio/visual work; and modifications at the 1200 Mulberry parking garage to accommodate City fleet vehicles, including electric charging stations.

- Construction of the project is expected to continue following Council approval and take approximately nine (9) to 10 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: September 16, 2024

Roll Call Number: [24-1219](#)

Action: [Approval](#) Guaranteed Maximum Price Amendment No 1 with McGough Construction Co, LLC. for CMR services for the City Facility Expansion Phase 1 Improvements, not to exceed \$1,634,676. ([Council Communication No. 24-363](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

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 CMR 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:

Partial payments to the Construction Manager and final acceptance of the work.

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