


COUNCIL COMMUNICATION

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|  | Number: | 25-092 | Meeting: | March 10, 2025 |
| | Agenda Item: | 9 | Roll Call: | 25-0333 |
| | Submitted by: | James M. Hoff, Assistant City Manager and Steven L. Naber, P.E., City Engineer | | |

AGENDA HEADING:

Approving Change Order No. 4 with McGough Construction Co., LLC for additional work on City Facility Expansion Phase 1 Improvements, in the amount of \$157,824.

SYNOPSIS:

Recommend approval of Change Order No. 4 in the amount of \$157,824 with McGough Construction Co., LLC (Mike Harryman, Principal-in-Charge; 217 E. 2nd Street, Suite 120, Des Moines, Iowa 50309), for additional work on City Facility Expansion Phase 1 Improvements.

FISCAL IMPACT:

Amount: \$157,824

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, 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 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 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.
- The Phase 1 project includes: selective demolition and interior renovation of portions of the Cownie City Administration Building located at 1200 Locust Street 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.

- 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.
- On April 15, 2024, under Roll Call No. 24-0557, the City Council approved an agreement with McGough Construction Co., LLC for CMR services for the City Facility Expansion Phase 1 Improvements, to initially provide pre-construction services at a cost not to exceed \$71,120 (not included in GMP).
- On September 16, 2024, under Roll Call No. 24-1219, the City Council approved GMP Amendment No. 1 (considered Change Order No. 1 in City Database) with McGough Construction Co., LLC to provide CMR services to begin demolition of the Cownie City Administration Building, as detailed in the architectural design plans and specifications, for an amount not to exceed \$1,634,676.
- On December 18, 2024, the City and McGough Construction Co., LLC executed a Change Order to GMP No. 1 for an amount of \$75,595.75 (considered Change Order No. 2 in City Database), to increase the amount of demolition in Levels 3-5 of the Cownie City Administration Building that was not originally included in GMP No. 1.
- On January 13, 2025, under Roll Call No. 25-0016, the City Council approved GMP Amendment No. 2 (considered Change Order No. 3 in City Database) with McGough Construction Co., LLC to provide CMR services for the City Facility Expansion Phase 1 Improvements for complete renovation of the Cownie City Administration Building as detailed in the architectural design plans and specifications, for an amount not to exceed \$17,889,445.75 (includes GMP Amendment No. 1 and Change Order No. 2).
- The first change order to the Amended GMP (considered Change Order No. 4 in City Database) will address City Code Review comments and revisions, avoid conflicts in walls and ceilings with existing ductwork layouts on Floors 3-5, modify data cabling for the Council Chambers, replace batteries in the fire sprinkler system controls, and update Audio/Visual equipment to better align with the needs of the City.
- Construction of the project is continuing and is anticipated to be complete in the fourth quarter of 2025. Subsequent to construction, 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.

| Contract Change Order No. | City Facility Expansion Phase 1 Improvements – Summary of CMAR Costs | |
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| | Pre Construction Services | \$ 71,120.00 |
| 1 | Guaranteed Maximum Price 1 | \$ 1,634,676.00 |
| 2 | Change Order to GMP 1 | \$ 75,596.75 |
| | <i>Percentage of GMP 1</i> | 4.62% |
| 3 | Guaranteed Maximum Price 2 <i>(includes GMP 1 and CO to GMP 1 above)</i> | \$ 17,889,407.75 |
| 4 | Change Order 1 to GMP 2 | \$ 157,824.00 |
| | <i>Percentage of GMP 2</i> | 0.88% |
| Total CMAR Costs (without Pre-Construction Services) | | \$ 18,047,231.75 |



PREVIOUS COUNCIL ACTION(S):

Date: January 13, 2025

Roll Call Number: [25-0016](#)

Action: [Approving](#) GMP Amendment No. 2 with McGough Construction Co., LLC for CMR services for the City Facility Expansion Phase 1 Improvements, not to exceed \$17,889,445.75. ([Council Communication No. 25-006](#)) Moved by Gatto to adopt. Second by Mandelbaum. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City staff anticipate future Council action on this Agreement to approve partial payments to the CMR and final acceptance of work related to the City Facility Expansion Phase 1 Improvements project. Also, potential, unforeseen additions to the scope of construction work that were not included in the original architectural design plans and specifications may require future change orders.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.