

AGENDA



Thursday, July 29, 2010

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION****Item No. 13**

Subject: Authorize negotiation and execution of a Construction Manager at Risk (CM@R) contract with HENSEL PHELPS CONSTRUCTION CO., Austin, TX, for preconstruction phase services for the New Central Library in an amount not to exceed \$250,000.

Amount and Source of Funding: Funding in the amount of \$250,000 is available in the Fiscal Year 2009-2010 Capital Budget of the Library Department.

Fiscal Note: A fiscal note is attached.

For More Information: Cynthia Jordan, 974-7183; Rosie Truelove, 974-3064, Sarah Terry, 974-7141; Felecia Shaw, 974-6017

Purchasing Language: Best value of twelve proposals received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9B of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 7.69% MBE and 3.02% WBE subcontractor participation. Related to Item #39.

Prior Council Action: March 6, 2008 - Council approved the use of Construction Manager at Risk alternative delivery method.

The project consists of a new central library located on W. César Chávez Street which will house the collections and programs presently located in the John Henry Faulk Central Library.

On March 6, 2008, the City Council approved the use of the Construction Manager At Risk (CM@R) methodology for the New Central Library project, in compliance with Local Government Code Chapter 271. The CM@R methodology is considered an alternative project delivery method when compared to traditional design-bid-build methodology for capital projects. Key features of this methodology include the ability to evaluate and select a qualified Construction Manager At Risk firm who offers the best value for the City of Austin. This is achieved through a prescribed two-phase evaluation and selection process based on published evaluation criteria. The two-phases consist of Phase I, Request for Qualifications, and Phase II, Request for Proposals.

In brief, a City-staffed evaluation panel evaluates, scores, and short-lists firms based on their Statements of Qualifications. The short-listed offerors are requested to participate in Phase II, Request for Proposals. Following evaluations of Proposals and Interviews, the short-listed firms are ranked.

OVERVIEW OF CM@R DELIVERY METHOD: The role of the CM@R goes beyond performing construction services; it is to be on-board during the design phase to collaborate with the City and design team. Initially, services performed by the CM@R firm consist of constructability and scope reviews for optimal design and control of costs and budgets (Preconstruction Phase Services). Upon acceptance of a cost of construction (or Guaranteed Maximum Price), the CM@R solicits and selects subcontractors and material suppliers to perform the work. The CM@R has the responsibility for completing the work within the agreed-upon Guaranteed Maximum Price.

As part of the preconstruction phase, the CM@R firm will be required to work closely with the design team to provide quality assurance-quality control and constructability services on design products. The CM@R firm shall work collaboratively with all project participants including the design team, City of Austin Library staff, stakeholders, and the project team.

This RCA is for pre-construction phase services only, in an amount not to exceed \$250,000.

When the design development phase is sufficiently complete and agreed-upon work packages for construction phase services have been sufficiently developed, staff will return to Council with recommended contract amendment(s) for construction of the New Central Library. The proposed cost of construction, called the Guaranteed Maximum Price, will also include the construction manager's fee and costs related to performing the general conditions of the work.

SELECTION RANKING: In compliance with Local Government Code Chapter 271, Chapter H, Sec. 271.118., Council's authorization of this request allows for negotiation and execution of a construction manager at risk contract with the highest ranked firm that offers the best value to the City of Austin, based upon the evaluation criteria advertised. Should the City be unsuccessful in negotiating a satisfactory agreement with the selected firm, said firm will be notified in writing that negotiations will cease. Pursuant to statute, staff will then proceed to negotiate with the next firm in the order of selection ranking, returning to Council prior to contract execution.

Top Ranked: Hensel Phelps Construction Company, Austin, TX; Second Ranked: SpawGlass Contractors, Inc., Austin, TX

MBE/WBE PARTICIPATION: The goals listed in the solicitation are for Preconstruction Phase Services and General Conditions scopes of work only. Preconstruction phase services include work such as constructability reviews, estimating and cost savings recommendations, scheduling, and construction phase bidding. General Conditions includes scopes of work related to the CM@R setup and preparation for construction, but does not include actual construction work to be performed. MBE/WBE goals for construction will be established for each individual work package as they are developed for the project. The MBE/WBE goals and participation for each construction work package will be detailed in subsequent GMPs that are brought forward for Council consideration.

The Small and Minority Business Resources Department will be leading the MBE/WBE processes and compliance throughout all phases of the project.