City of Dublin

Office of the City Manager
5200 Emerald Parkway • Dublin, OH 43017-1090
Phone: 614-410-4400 • Fax: 614-410-4490

Memo

To: Members of Dublin City Council

From: Dana L. McDaniel, City Manager

Date: September 3, 2015

Initiated By: Megan D. O'Callaghan, PE, Director of Public Works
Brian K. Ashford, Facilities Manager

Re: Resolution 68-15 - Authorizing The City Manager To Enter Into a Contract With And Execute A Guaranteed Maximum Price Amendment (GMP) With Elford Inc., Construction Manager at Risk, for Phase 2 of the Justice Center Construction/Renovation Project.

Summary

On August 10, 2015, City Council approved Resolution 57-15 authorizing the City Manager to enter into a contract with and execute a Guaranteed Maximum Price amendment with Elford Inc., the Construction Manager at Risk for the initial phase of construction of the Justice Center Construction/Renovation Project ("Project") in the amount of $2,191,093.00. The initial construction phase included the site work, concrete, structural steel, some HVAC equipment, and some administrative fees and contingencies for the building addition.

Resolution 68-15 authorizes the City Manager to enter into a contract and execute a GMP amendment with Elford, Inc., for the final phase, Phase 2, of construction of the Project. The final construction phase includes architectural, mechanical, electrical, and plumbing work associated with both the building addition and the renovation of the existing building. Elford, Inc. completed its bidding process in late August and together with City staff and the City's Owner's Representative identified the best value sub-contractors to complete Phase 2 of construction. The agreement establishes the final phase GMP in the amount of $6,186,894.00.

The total GMP is $8,377,987 for all of the construction and renovation work associated with the Project. Adding in other construction expenses, fees, and contingencies the total costs for the project are just below the $10,640,000 budget.

Due to favorable bid results, Staff elected to include a few bid alternates such as the installation of security gates to control access to the rear lot where the police cruisers and other emergency vehicles are parked. Other alternates will update the lobby outside of the Court Room and add visual displays to enhance training capabilities in the Court Room. The bid alternates are scheduled at the latter portion of the construction and may be deleted in the event there are cost overruns as construction progresses.

As outlined in the 2015-2019 Capital Improvements Program, funding for this project will ultimately come from the issuance of general obligation bonds, which is anticipated to occur in late September. In the interim, Staff will advance funds from the General Fund in order to enter into this construction agreement. The advance will then be repaid from the bond proceeds.

Recommendation

Staff recommends approval of this resolution authorizing the City Manager to execute a Construction Agreement with Elford, Inc. including a GMP for the final phase of construction of the the Project. Please note that several information memorandums discussing the status of this Project and the Construction Manager at Risk delivery model are attached for your reference.

RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc., Form No. 30045

Resolution No. 68-15 Passed _____, 20____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND EXECUTE A GUARANTEED MAXIMUM PRICE AMENDMENT (GMP) WITH ELFORD INC., CONSTRUCTION MANAGER AT RISK, FOR PHASE 2 OF THE JUSTICE CENTER CONSTRUCTION/RENOVATION PROJECT.

WHEREAS, the City of Dublin selected Elford, Inc. as Construction Manager at Risk for the Justice Center Construction/Renovation; and

WHEREAS, on August 10, 2015, the City Council authorized the City Manager to enter into a contract with and execute a Guaranteed Maximum Price amendment with Elford Inc. for the initial phase of construction in the amount of $2,191,093.00; and

WHEREAS, Elford, Inc. has completed the bidding process for the final phase of construction and together with City staff and the City's Owner's Representative have developed the Guaranteed Maximum Price for the final phase of construction in the amount of $6,186,894.00; and

WHEREAS, City Council has determined that the total Guaranteed Maximum Price of $8,377,987.00 is within the budget guidelines established for this project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Dublin, State of Ohio, _____ of the elected members concurring, that:

Section 1. The Guaranteed Maximum Price negotiated between the City Manager and Elford, Inc. for the final phase of construction in the amount of $6,186,894.00 is accepted for the Justice Center Construction/Renovation Project.

Section 2. The City Manager is hereby authorized to enter into a construction agreement with Elford, Inc. for said project.

Section 3. This Resolution shall take effect immediately upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this _____ day of _____, 2015

_____
Mayor – Presiding Officer

Attest:

_____
Clerk of Council

RECORD OF RESOLUTIONS

Dayton Legal Blank, Inc., Form No. 30045

Resolution No. 57-15 Passed _____, 20____

A RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT WITH AND EXECUTE A GUARANTEED MAXIMUM PRICE AMENDMENT (GMP) WITH ELFORD INC., CONSTRUCTION MANAGER AT RISK, FOR THE JUSTICE CENTER CONSTRUCTION/RENOVATION PROJECT

WHEREAS, the City of Dublin has selected Elford, Inc. as Construction Manager at Risk for the Justice Center Construction/Renovation; and

WHEREAS, Elford, Inc. has completed the bidding process for the initial phases of construction and, together with City staff and the City's construction consultant have developed the Guaranteed Maximum Price for the initial phase of construction; and

WHEREAS, City Council has determined that the Guaranteed Maximum Price of $2,191,093 is within the budget guidelines established for this project.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Dublin, State of Ohio, 7 of the elected members concurring, that:

Section 1. The Guaranteed Maximum Price negotiated between the City Manager and Elford, Inc. in the amount of $2,191,093 is accepted for the Justice Center Construction/Renovation Project.

Section 2. The City Manager is hereby authorized to enter into a construction agreement with Elford, Inc. for said project.

Section 3. This Resolution shall take effect immediately upon passage in accordance with Section 4.04(a) of the Revised Charter.

Passed this 10th day of August, 2015

Mayor – Presiding Officer

Attest:

Clerk of Council

City of Dublin

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Memo

To: Members of Dublin City Council

From: Dana L. McDaniel, City Manager

Date: August 6, 2015

Initiated by: Brian Ashford, Facilities Manager
Megan O'Callaghan, Public Works Director

Re: Resolution 57-15 Authorizing the City Manager to Enter into a Contract with and Execute a Guaranteed Maximum Price Amendment (GMP) with Elford Inc., Construction Manager at Risk, for the Justice Center Construction/ Renovation Project

Summary

Resolution 57-15 authorizes the City Manager to execute a construction agreement with Elford, Inc., the Construction Manager at Risk for the Justice Center Construction/Renovation Project. The agreement establishes the first phase Guaranteed Maximum Price in the amount of $2,191,093.00 which covers the initial construction phase for the building addition. This includes the site work, concrete, structural steel, some HVAC equipment, and some administrative fees and contingencies. Elford completed its bidding process in late July and, working with City staff and our Owner's Representative, identified the best value sub-contractors to complete the first phase of construction. The total GMP amount for this initial phase is approximately $200,000 under the amount allocated for these items in the overall project budget. Approval of this initial GMP amendment will enable ground breaking for the 18,000 square foot addition to begin within a week and will enable construction of the project to remain on schedule.

An amendment to the Guaranteed Maximum Price covering the second construction phase (architectural, mechanical, electrical and plumbing) associated with both the building addition and the renovation of the existing building is anticipated to be presented to City Council within the next month. Elford has issued bids for this second construction phase, and interest among potential sub-contractors appears to be strong. City staff and our Owner's Representative will continue to monitor Elford's bid process to identify the best value sub-contractors. As outlined in the attached May 14, 2015 memorandum, the overall budget for the addition and renovation is $10,640,000, and City staff will ensure that the full GMP amount is at or below budget.

As outlined in the 2015 – 2019 Capital Improvements Program, funding for this project will ultimately come from the issuance of general obligation bonds, which is anticipated to occur in late September. In the interim, Staff will advance funds from the General Fund in order to enter into this construction agreement. The advance will then be repaid from the bond proceeds.

Recommendation

Staff recommends approval of Resolution 57-15 authorizing the City Manager to execute a Construction Agreement with Elford, Inc. including a Guaranteed Maximum Price for the first phase of the Justice Center Construction/Renovation Project. Please note that several information

memorandums discussing the status of this project and the Construction Manager at Risk model are attached for your reference.

Attachments

City of Dublin

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Memo

To: Members of Dublin City Council

From: Dana L. McDaniel, City Manager

Date: May 14, 2015

Re: Project and Budget Update - Justice Center Renovation/Expansion

Summary

As a follow-up to a December, 4, 2104 and an October 23, 2014 update provided to Council, the following is a summary of the progress related to the Dublin Justice Center addition/renovation project. Also included is a revised cost estimate and information related to the need for the City's construction management company to pre-order two mechanical and one material component.

This project is programmed in the 2015-2019 Capital Improvement Program (CIP) for final design completion in 2015 and construction beginning in 2015 and running through 2016. Currently the project is on schedule, with detailed design nearing completion and a construction start date planned for early August. An allocation of $9,585,000 is included in the 2015 CIP for completion of this project. As detailed below, a revised budget of $10,640,000 is now being anticipated.

Construction Manager at Risk Delivery Method

Due to the size and complexity of this project and the need for more dedicated construction management, staff spent significant time reviewing the various project delivery methods available under the Ohio Revised Code. After several meetings with the lead architect, the City's legal counsel and a recommended local owner's representative, staff concluded that the "Construction Manager at Risk" model (CMR) best met the needs and desired outcomes for this project. This is the first time this construction method has been used by the City.

The Construction Manager at Risk method provides for selection of a construction manager through an RFQ and RFP process. This CMR is then brought into the process during the schematic design stage to work closely with the architect. During the construction document development stage and prior to bidding, the CMR would provide a guaranteed maximum price (GMP) for construction that is agreed upon with the City. The CMR then holds the contract for the project, solicits bids from pre-qualified subcontractors and contracts with those subcontractors to build the project. While the City would work closely with the CMR and review all subcontractor bids, the City would not be responsible for bidding the project. In January, following an RFQ and RFP process, staff selected Elford as the City's Construction Manager for this project.

In addition to hiring a Construction Manager, staff also contracted with an Owner's Representative. An Owner's Representative serves as an extension of the owner's staff, providing on-site representation to ensure that design and construction proceeds in accordance with contract documents and is completed on time and within budget, protecting the owner's interest at all times. Similar to the Construction Manager, the Owner's Representative is also brought into the process during the design phase, allowing them to provide guidance throughout the lifecycle of the project.

Revised Cost Estimates

Staff worked closely with our construction management company, architectural firm and owner's representative to develop revised cost estimates for the expansion and renovation of the Dublin Justice Center. The total funding included in the 2015 CIP for this project was $9,585,000, which is expected to be funded through the issuance of general obligation bonds. Initial revised estimates showed the total project costs to be $2,053,000 above this originally budgeted amount. Following a thorough team review of all components of the project, this budget increase was reduced to $1,055,000. A portion of this cost is associated with the complete replacement of the facility's HVAC system, which was originally not anticipated. This system is now more than 20 years old and would soon be due for replacement. A more efficient building system will be installed as part of the renovation/addition, resulting in savings on utility costs.

An owner's contingency of $500,721 remains in place as part of the budget. Staff will continue to work with the construction management team to pursue any additional possible cost reductions as detailed design and sub-contractor bidding is undertaken.

Pre-Order of Equipment

Elford, the City's Construction Management firm, has identified the need to pre-order the following components in early June due to lead time and construction phasing needs:

- Structural steel $325,000
- Air handling unit $125,000
- Chiller $135,000

These pre-orders will be identified in the City's pre-construction agreement that is in place with Elford. Elford will be responsible for purchasing the items and the City will then reimburse them for these purchases.

Recommendation

For information only. In July, staff will bring forward to Council Elford's Guaranteed Maximum Price (GMP) for approval by resolution. Construction is planned to begin the first week of August. Should you have any questions regarding this memorandum, please contact Michelle Crandall at 614-410-4403 (desk) or 614-206-4886 (mobile).

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Memo

To: Members of Dublin City Council

From: Marsha I. Grigsby, City Manager

Date: December 4, 2014

Initiated By: Michelle L. Crandall, Assistant City Manager

Re: Justice Center Addition/Renovation – Update on Construction Manager At Risk Selection

Summary

As a follow-up to the October 23, 2014 memo, responses to the RFQ/RFP for Construction Manager at Risk(CMR) are due today, December 4th and will be reviewed by a committee consisting of representatives from the City's Administrative Services and Police Departments as well as the architectural firm and the Owner's Representative, McCarthy Consulting, Inc. The Owner's Representative will assist the City from the CMR selection process all the way through design, construction and closeout for the Justice Center project. The Representative's duties will include assisting with contract negotiations, conducting constructability reviews, evaluating bid documents issued by the CMR for subcontracting work, and reviewing pay applications.

The RFQ/RFP committee will select a CMR by early January, and the design development process will begin immediately. Once a final design has been completed and the guaranteed maximum price has been determined, a detailed package will be submitted to City Council for its consideration in late spring or early summer. The goal is for construction to begin by next fall.

Recommendation

For information only. If you have questions regarding this memorandum, please contact Michelle Crandall at 614-410-4400 (desk) or 614-206-4886 (mobile).

Attachment

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Memo

To: Members of Dublin City Council

From: Marsha I. Grigsby, City Manager

Date: October 23, 2014

Initiated By: Michelle L. Crandall, Assistant City Manager

Re: Justice Center Addition/Renovation – Construction Manager at Risk Model

Summary

The Justice Center addition/renovation project is programmed in the 2015-2019 Capital Improvement Program (CIP) for final design completion in 2015, with construction beginning in 2015 and running through 2016. Total project cost is estimated at approximately $9,940,000.

Due to the size and complexity of this project and the need for more dedicated construction management, staff has spent significant time reviewing the various project delivery methods available under the Ohio Revised Code. After several meetings with the lead architect, the City's legal counsel and a recommended local owner's representative, staff has concluded that the "Construction Manager at Risk" model (CMR) best meets the needs and desired outcomes for this project. This would be the first time this construction method has been used by the City. Attached is a table showing the various delivery methods provided under state law, with a brief description and advantages and disadvantage commonly associated with each.

Typically the City has used the "General Contracting" method whereby the project is designed, bid and then built (also referred to as design-bid-build). Under this method, the company with the lowest and best bid is awarded the contract and the City holds a single contract with that general contractor. The construction management components of the project are then managed jointly by the architectural firm and City staff working with the general contractor. For smaller projects, this method has worked well.

The Construction Manager at Risk method provides for selection of a construction manager through an RFQ and RFP process. This CMR is then brought into the process during the schematic design and design development stages to work closely with the architect. During the construction document development stage and prior to bidding, the CMR would provide a guaranteed maximum price (GMP) for construction that is agreed upon with the City. The CMR then holds the contract for the project, solicits bids from pre-qualified subcontractors and contracts with those subcontractors to build the project. While the City would work closely with the CMR and review all subcontractor bids, the City would not be responsible for bidding the project.

Advantages to this method include the following:

- Construction Manager chosen based upon qualifications.
- Construction Manager has input on design due to being brought in during the design phase, creating a collaborative design process between the CMR, architects and the City staff.

- Reliance on the architectural firm to provide construction management is reduced significantly.
- Reliance on the need for in-house construction management knowledge is addressed.
- Gain earlier and better knowledge of cost and schedule.
- Faster project delivery than traditional design-bid-build.
- More control selecting subcontractors.

Due to the fact that under this method Council would not be awarding a bid, staff would provide updates to Council once a Construction Manager is selected through an RFQ and RFP process and would bring forward a contract with the selected Construction Manager once a guaranteed maximum price (GMP) for the project is established.

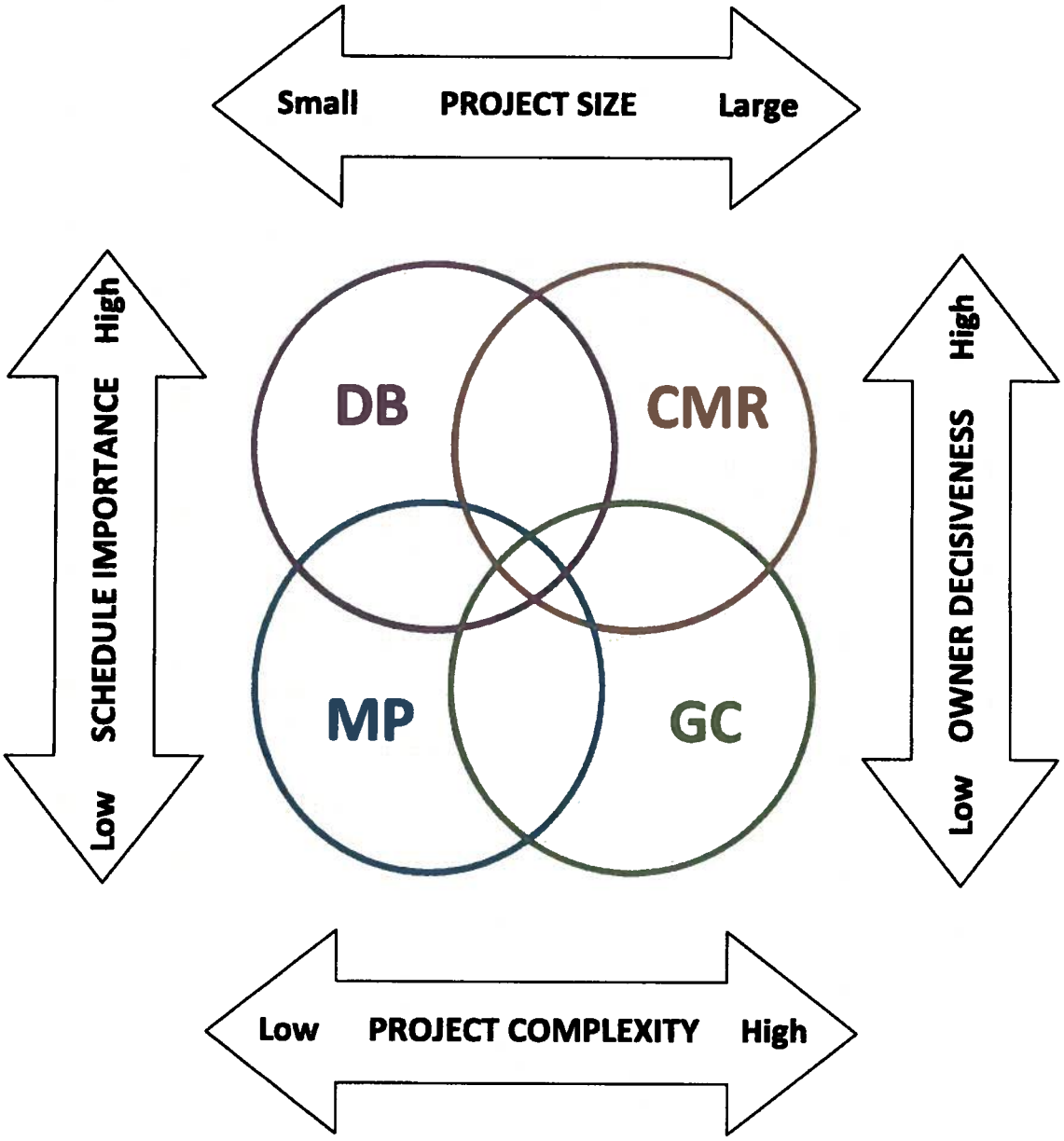
In addition to hiring a Construction Manager, staff would also hire an Owner's Representative. Owners Representatives serve as an extension of the owner's staff, providing on-site representation to ensure that construction proceeds in accordance with contract documents and is completed on time and within budget, protecting the owner's interest at all times. Similar to the Construction Manager, the Owner's Representative is also brought into the process during the design phase, allowing them to provide guidance throughout the lifecycle of the project.

Typical costs for a Construction Manager are in the range of 3-5% of the total construction cost. This cost was assumed within the project budget included in the CIP. Typical costs for an Owner's Representative are in the range of 1-1.5% of the total construction cost. This cost was not assumed within the project budget; however, staff believes this cost can be covered within the budgeted contingencies.

Recommendation

For information only. If you have questions regarding this memorandum, please contact Michelle Crandall at 614-410-4400 (desk) or 614-206-4886 (mobile).

Project Delivery Method Comparison Guide

		Description	Advantages	Disadvantages
MULTIPLE PRIME		Traditional approach in which the owner hires an A/E to fully document the project criteria and design prior to bidding. Multiple packages are separately bid and awarded to the lowest responsive and responsible prime contractors. The owner holds all prime contracts and is responsible for coordination during construction.	• Familiar delivery method • Fully defined project scope • Both designer and contractor accountable to owner • Creates most prime bidding opportunities (lowest bonding) • Lowest initial price • Good for simple projects that are not schedule-driven and not subject to change	• Linear process means longer schedule • Limited control over contractor and subcontractor selection • No design or cost input from contractor • Lack of flexibility for change • Can be adversarial in nature • Not good for complex projects that are schedule-driven
MULTIPLE PRIME	CM as AGENT	An owner's agent is hired through a qualifications based selection process during the design phase. The owner's criteria and full design is documented by a separate A/E. The CMA provides estimates during design, assists with bidding and coordinates prime contractors during construction. The owner bids and holds all contracts for construction.	• Fully defined project scope • Supplements owner's staff • Independent professional services & expertise for owner • Creates most prime bidding opportunities (lowest bonding)	• Adds level of bureaucracy • Limited control over contractor and subcontractor selection • Owner still holds contracts for construction • Not suited for small projects • Drawbacks common to the design-bid-build process
GENERAL CONTRACTING		A linear design-bid-build process in which the owner selects an A/E to fully document the project criteria and design prior to bidding. The lowest responsive and responsible GC (single prime) is awarded the contract. The owner holds a single contract with the GC.	• Familiar delivery method • Fully defined project scope • Both designer and contractor accountable to owner • Simple procurement method • Single contractor to manage • Good for simple to moderately complex projects that are not schedule-driven	• Sequential process means longer schedule • Limited control over contractor and subcontractor selection • No design or cost input from contractor • Can be adversarial in nature • Not good for complex projects that are schedule-driven • Bonding requirements
CM at RISK		A contractor is hired through a best value selection process during the design phase. The owner's criteria and full design is documented by a separate A/E. The CMR provides a guaranteed maximum price prior to bidding. The CMR bids to prequalified subcontractors and holds all subcontracts for construction.	• Contractor input on design • Selection of contractor based qualifications and price • Open-book GMP • Faster project delivery than traditional design-bid-build • Provides flexibility to handle changes during design phase • Good for large or complex schedule-driven projects • More control selecting subs	• Relationship changes during design to construction phase • Increased contingency for assumption of risk • Difficult to determine if best price has been achieved • Bonding requirements • Disputes if GMP scope not clear
DESIGN-BUILD		A single entity is hired through a best value selection process to deliver a complete project. The owner's criteria and design intent is documented by a separate criteria architect. The design is completed by the DB entity and a guaranteed maximum price is provided prior to bidding. The DB entity bids to prequalified subcontractors and holds all subcontracts for construction.	• Single point of responsibility for design and construction • Contractor selection based on qualifications and price • Fastest project delivery Open-book GMP • No changes orders for design errors and omissions • Good for new construction that is time sensitive and not subject to change • Good for less complex projects • More control selecting sub's	• Owner has less control over selecting designer • Owner has less input in details • Over emphasis on price may compromise quality • Difficult to determine if best price has been achieved • Owner required to make quick decisions • Changes difficult & expensive • Bonding requirements • Disputes if criteria not clear

Project Delivery Method Selection Diagram