**ACTION:** Award a construction manager at risk construction contract to Core Construction, Inc. for the Council Chambers Remodel – Municipal Complex project located at 31 East 5th Street.

**FISCAL IMPACT:** The construction contract amount is $2,385,551 and the contingency amount is $238,555.10. Funds to cover this contract and related costs are appropriated for fiscal year 2018/19 in the Capital Improvement Project No. 6700114, City Hall Municipal Complex Improvements.

**RECOMMENDATION:** Award the construction manager at risk construction contract to Core Construction, Inc.

**BACKGROUND INFORMATION:**

*Project History:*

As the City of Tempe’s Council Chambers approach 50 years of service, preparations are in place to remodel and expand the chambers. Through the Construction Manager at Risk (CMAR) delivery method, Core Construction, Inc. is anticipated to begin the construction phase of the remodel project the first week of July 2019.

The Council Chambers is a space that serves a key role in communication between the Council and the Community and its importance cannot be overstated – the overall design and aesthetic inevitably has an impact on the quality of the discussion. The current design and aesthetic of Tempe’s Council Chambers are not optimized for high quality communication thereby impacting Council’s ability to communicate with clarity. With the exception of the 1989 upgrade, in the 48 years since the Chambers opened, lighting and sound system improvements have occurred, some minor HVAC renovations and visual aids were added, and electrical system upgrades were completed. High quality communication is impeded, however, by a number of serious shortcomings including non-compliance with the Americans with Disabilities Act (ADA) requirements, an outdated and poorly functioning audio/visual system, an overall worn aesthetic and seating, ongoing issues of limited space, and poor accessibility.

Through a series of several progressed design iterations, the design consultant has prepared plans and specifications for the chambers reconstruction and Core Construction, Inc. has been selected to complete the remodel work. This remodel project is the first of several phases that are part of a more comprehensive project called the Municipal Complex Modernization Plan. The Modernization project provides the framework, design aesthetic, and recommended phasing for the overall renovation of the Complex including the Chambers, City Hall, and the Garden Level.

*Scope of Work:*

The Council Chamber Remodel work and Guaranteed Maximum Price (GMP) submitted by Core Construction, Inc. features the following scope of work:

- Expanded reception area with glass frontage, and an aesthetically improved exterior.
- Regraded flooring to achieve ADA compliance.
- A new arrangement of security, reception, seating, and dais areas to each achieve ADA compliance.
• Replacement of all audience seats, including the integration of table trays and electrical charging power at select seat locations.
• Full replacement of all carpet flooring, walls, and ceilings to achieve improved aesthetics and acoustics.
• Dedicated wall areas for public artwork.
• Reconstructed and improved dais structure for council members.
• All new lighting is to be energy efficient through the use of LED’s.
• Mechanical HVAC improvements to provide proper heating and cooling of the enlarged footprint and expanded chamber remodel.
• Hardscape and landscape improvements along the exterior of the new chamber frontage.
• The addition of an ADA compliant men’s and women’s restrooms.
• Proper mounting locations and conduits to new equipment, speakers, monitors, amplifiers, microphones, cameras, broadcast lighting, and computers.

Please note that this first construction proposal from Core Construction, Inc. does not include audio, video, broadcasting, or communication equipment. A second proposal from Core Construction, Inc. will include the procurement and installation of the aforementioned equipment, and there will be a separate RFCA with this proposal to be included at future council meeting.

**Contract Type:** Construction Manager at Risk (CMAR).

**Procurement Method:**
After review of the 15-point discovery checklist for the Alternative Project Delivery Method Justification, it was determined to utilize the CMAR procurement process specifically for this project for the following reasons:

• Utilizing the CMAR method will permit the City to select a contracting firm that is well qualified with a proven track record of managing and constructing multi-discipline projects, rather than a low bid contract which may leave the City with a contractor who would possibly possess only minimum experience.
• The Council Chamber Remodel will continue to be critical infrastructure to the City of Tempe, and the proper and timely construction of this facility through CMAR delivery will ensure the reliable operations needed to provide effective communication between City Council and residents.
• Multiple phases of the project must be concurrently constructed to achieve an accelerated construction delivery, which adds to the complexity to the project. A CMAR is best suited to minimize construction length.
• The Council Chambers is part of an aging building, and during the course of construction there may be unanticipated circumstances that are revealed. In situations as these, the partnership between City of Tempe and a CMAR helps facilitate problem solving and prompt resolutions.
• Minimizing impacts to operations at the Municipal Complex is very important, as it is a facility that will continue to operate and provide services (including those that are emergency by nature). A CMAR will better adapt to the ongoing critical operations while ensuring that safety is maintained at all times.
• The City needs a CMAR with a “team-player” approach who is capable of adapting to the needs of the neighboring community.
• Utilizing a CMAR has enabled the City to work with a firm that is well qualified with a proven track record of managing and constructing high-visibility infrastructure projects such as this one, ensuring that schedule and quality are both closely monitored.
• Involving a CMAR during the design has decreased the time of the project’s overall delivery.

**Request for Qualifications:**
Core Construction, Inc. was selected by a review committee as the most qualified firm for these services using a process pursuant to Arizona Revised Statutes § 34-603. The qualifications based selection process includes evaluation of each firm's statement of qualifications in response to the City's request for qualifications (RFQ); evaluating each firm based on the relative weight of the selection criteria as outlined in the RFQ, including evaluation of the contractor's expertise, qualifications of key personnel and project experience; selecting the final list of contractors in order of preference; and negotiating the GMP. Staff has negotiated the GMP CMAR construction services fee with Core Construction, Inc. and considers it reasonable for the scope of services.
Staff is providing a snapshot of the City's current CIP construction activity by procurement method:

CMAR – Construction Manager at Risk
DBB – Design, Bid, Build (low-bid)
JOC – Job Order Contract


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