

City Council Agenda Memo

From: Jacob Meshke, Assistant City Manager

Council Meeting: December 14, 2021

Subject: Construction Manager-At-Risk (CMAR)

Presenter(s): Jacob Meshke, Assistant City Manager
Dick Strassburg, Owner's Representative

Summary:

The City is exploring opportunities to renovate the existing Public Safety Facility or build new through the CMAR process. The CMAR process will better allow the City to control costs, define a finished product, and work collaboratively with a professional team of architects, engineers, and construction manager from start to finish. To utilize the CMAR process, State law requires the City to adopt a Resolution establishing the procedures for CMAR projects. The Resolution establishes procedures related to the CMAR process such as minimum qualifications, request for proposals process and evaluation criteria, and proposal requirements.

Background:

The City's Public Safety Facility was constructed in the 1960's with an addition put on in the 1980's. After observing a number of issues with the building's infrastructure (plumbing system, HVAC, electrical, and roof), the City hired a facility consultant to analyze needs. As a result of that analysis, it was estimated that the Public Safety Facility would need between \$1.5 million and \$2 million of investment over the next ten (10) years to maintain operations.

After considering the amount of investment required and the lack of functionality of the space in its current form, the City is exploring options to renovate the current facility or build new. Due to the sophistication and specialization of the facility, the City opted to go with a CMAR process as opposed to the more traditional design-bid-build. The CMAR process will better allow the City to control costs, define a finished product, and work collaboratively with a professional team of architects, engineers, and construction manager from start to finish. To assist with the CMAR process, the City selected Tegra Group as an owner's representative through a competitive Request for Proposals process. As the owner's representative, Tegra Group will assist the City in navigating the CMAR process as an expert and advocate.

Item Details:

To utilize the CMAR process, State law requires the City to adopt a Resolution establishing the procedures for CMAR projects. The Resolution before City Council

was drafted as a collaborative effort between City staff, City Attorney Steve Britzman, and Dick Strassburg of Tegra Group. Dick Strassburg was instrumental in assisting the City of Sioux Falls in 2010 in obtaining approval from the State of South Dakota Attorney General to utilize the CMAR construction delivery method. The Denny Sanford Premier Center was one of the initial projects in the state to utilize this method. As of late, Minnehaha County, Clay County, City of Rapid City and the City of Watertown are among the public entities that are utilizing the CMAR process.

The Resolution establishes procedures related to the CMAR process such as minimum qualifications, request for proposals process and evaluation criteria, and proposal requirements. The Resolution is a prerequisite to further action should the Council desire to utilize the CMAR process. Adopting the Resolution does not constitute a commitment to proceed with the Police Facility Improvements.

Below is a tentative timeline of key dates for the project:

- December 14, 2021 – CMAR Resolution Approved
- January 2022 – Request for Proposals for Design/Engineering Services
- January 2022 – Request for Proposals for Construction Management Services
- March/April 2022 – Award Design/Engineering and Construction Management Services
- Summer 2022 – Recommendation on build new/remodel, initial cost estimates, and conceptual design

Legal Consideration:

City Attorney Steve Britzman has assisted with drafting and reviewed the resolution.

Strategic Plan Consideration:

Fiscal Responsibility – limits the City's future liability for costly repairs.

Safe, Inclusive, and Connected Community – addresses Goal 1: Police Facility Improvements

Service and Innovation Excellence – A renovated or new facility would provide increased functionality for Police operations.

Financial Consideration:

None.

Options and Recommendation:

The City Council has the following options:

1. Approve as presented
2. Amend
3. Deny
4. Move the item to a study session
5. Discuss/ Take no action / Table

Staff recommends approval of the resolution as presented.

Supporting Documentation:

Memo

Resolution