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TITLE

CONSTRUCTION MANAGER AT RISK CONTRACT FOR NEW MENTAL HEALTH FACILITY

SPONSOR

Dan Durham/Tari Maynor-Brady

BACKGROUND

Guilford County plans to build a new 16-bed adult mental health crisis center at the Maple Professional Park at 931 Third Street, Greensboro, North Carolina. The Board of Commissioners approved a design service proposal for this facility from Teague Freyaldenhoven Freyaldenhoven (TFF) Architects and Planners, LLP in the amount of \$999,500 on November 15, 2018. A design services contract has been drafted based on this proposal.

Construction management at risk has been determined to be the best interest of this project for the following reasons:

- Construction Manager can be a part of the design process for this project from the very start.
- **Design Coordination:** Architect/Engineer (A/E), Owner, and Construction Manager work together through all phases of the project. This generally reduces the number of

change orders due to the coordination between the A/E and Construction Manager during the design phase. It also encourages a less adversarial relationship between the Owner, A/E, and Contractor.

- **Construction Coordination:** Utilizing the CM@Risk method via a joint Request for Proposals, this delivery method provides the necessary coordination between the construction of an adult mental health facility by Guilford County and construction of a children's mental health facility by Sandhills Center on an adjacent parcel of land. This avoids the potential conflict and delays of two different general contractors building two facilities in close proximity. It also will contribute to the two facilities being situated and built in a more cohesive manner with potential cost savings as a result.
- **Better Construction:** the construction contract is awarded based on qualifications and past performance instead of low bid. The construction manager also prequalifies subcontractors as part of the bidding process. A higher-quality project and facility is more likely as a result.
- **Schedule:** The goal for this project is that the facility be designed and built within two years. The CM@Risk method can save time between the design and construction phases and have fewer delays due to change orders. This makes it more likely that the facility will be completed on schedule.
- **Better Cost Control:** The Construction Manager at Risk ensures that construction costs do not exceed the Guaranteed Maximum Price (GMP) since costs exceeding the GMP that are not change orders are the financial responsibility of the Construction Manager at Risk.

Qualifications for Construction Manager at Risk Services were submitted as Event 637 on December 13, 2018. The two companies submitting proposals were C.T. Wilson Construction Company and Samet Corporation. These two proposals were evaluated and verified for completeness by Facilities and Purchasing staff on December 13th. The two proposals were then further reviewed by a committee of six members to determine which company would be the best qualified to complete this project. This committee included Jim Albright, Cynthia Barnes-Phipps, Dan Durham, Marty Lawing, Tari Maynor-Brady, and Anthony Ward of the Sandhills Center.

The committee evaluated both proposals on twelve criteria:

1. If the company workload could accommodate the addition of this project.
2. A record of successfully completed projects with similar scopes.
3. A record of completed projects without legal problems.
4. A record of good relationships with Owner's, Owner's representatives, and

performance of an acceptable quality of work.

5. Appropriate experience and qualifications of the key team personnel.
6. An easily understood and relevant proposal.
7. A record of successfully completed CM at Risk projects.
8. A record of successful Guaranteed Maximum Price (GMP) cost estimation, Value Engineering, and project cost control.
9. A record of projects that were completed on time or ahead of schedule.
10. Construction administration capabilities.
11. Quality of compliance plan for MWBE participation.
12. Experience with projects in North Carolina and proximity of the nearest office to the proposed site.

The committee met on December 20, 2018 to review these evaluations and develop a recommendation for a CM at Risk. Samet Corporation was unanimously selected for the following reasons:

1. This project is anticipated to be between 35,000 and 40,000 square feet. Samet's proposal included a larger greater experience in Guilford County, greater governmental experience, and greater experience with medical facilities.
2. Samet's proposal included a larger portfolio of CM at Risk projects and a detailed description of their CM at Risk Delivery Method.
3. Samet demonstrated greater financial security through a larger bonding capacity both for a single project and aggregate projects.
4. Samet's proposal included a well-defined MWBE program outline. Their proposed management team includes Gilgeours Construction as a Mentorship Protégé. Samet furthermore demonstrated a history of exceeding the goals for MWBE Participation on other projects. Samet's goal for this project will be 25%.

Samet submitted a proposal and draft contract for CM at Risk Services on January 4, 2019. This proposal is divided into pre-construction phase services and construction phase services.

Preconstruction services include the development of cost estimates after each phase of the project design (Schematic, Design Development and Construction Documents.) If the estimated construction costs are found to be greater than the established project

budget, Samet will propose alternate construction systems, details or materials to help bring the project back within budget. Samet will work with the design team and Facilities staff to identify suggestions that will either reduce cost, improve life cycle costs or provide enhancement to the design at little to no impact to the project budget. Samet will also evaluate the design documents during this preconstruction phase to identify constructability issues such as code issues or construction means and methods to minimize impacts to the project schedule, costs, safety or the quality of the project. The proposed cost for these preconstruction services is \$154,252.

After completion of the construction documents, Samet will provide a Guaranteed Maximum Price (GMP) proposal for the project. This proposal provides an itemized cost estimate organized by trade categories, allowances, contingencies, alternates, the Construction Manager's Fee and any other item/ fee that comprise the Guaranteed Maximum Price. At that time, the contract between Guilford County and Samet will be amended with this final cost information and submitted for approval to the Board of Commissioners.

Design is anticipated to begin in January 2019. Construction is expected to be complete by January 1, 2021.

Pre-Construction Project Cost Summary:

| | |
|--|--------------------|
| Design Fees (approved to date): | \$ 999,500 |
| Pre-construction Fees: | \$ 154,252 |
| Other estimated fees (soil borings, surveys, permits, etc.): | <u>\$ 246,248</u> |
| Total: | \$1,400,000 |

This Project cost will be updated once the Guaranteed Maximum Price Estimate is completed. The proposed contract allows for a termination or suspension of the contract as described in Article 10. Preliminary estimates indicate that the total project cost will be approximately \$20 million.

The Mental Health Facility Replacement capital project ordinance needs to be amended to provide funding for this contract. An additional \$400,000 needs to be appropriated from County Building Construction (capital) Fund balance. This appropriation will bring the project ordinance funding to \$1,400,000 total. Any funds remaining after this portion of the project will be used for future work on the project.

BUDGET IMPACT

Capital Project Ordinance Amendment

Mental Health Facility Replacement

\$400,000 Increase in Appropriated Fund Balance

\$400,000 Increase in Appropriation to Mental Health Facility Replacement

REQUESTED ACTION

Approval of construction management at risk delivery services for this project based on determination that this method is in the best interest of this project compared to other available project delivery methods.

Approve award of the Construction Manager at Risk proposal in the amount of \$154,252 for pre-construction services and contract (AIA Document A133-2009) with general conditions (AIA Document A201-2007) in substantial form to Samet Corporation.

Amend the Mental Health Facility Replacement capital project ordinance to increase project funding by \$400,000 of appropriated County Building Construction Fund balance to a total of \$1,400,000.