

ITEM # 44b
DATE: 12/13/22

COUNCIL ACTION FORM

SUBJECT: **AWARD OF CONTRACT TO STORY CONSTRUCTION FOR
CONSTRUCTION MANAGEMENT SERVICES
RELATED TO THE FITCH FAMILY INDOOR AQUATIC CENTER**

BACKGROUND:

In January 2022, staff issued a Request for Proposals for Construction Management (CM) Services for the construction of the Fitch Family Indoor Aquatic Center (FFIAC). Services of the CM are to include Pre-Construction services (assist with design, provide cost estimates, and develop bid packages) and construction services (manage all aspects of construction including contractors, coordination of tasks, review of shop drawings and submittals, assure all work is accomplished according to the design specifications, etc.). Four proposals were received, and this information was shared with City Council at its May 10, 2022 meeting. At that meeting, Council directed staff to begin negotiating a contract with Story Construction for CM services. This negotiation has been taking place for the last six months and a final contract is now being brought before City Council for its consideration.

CONTRACT OVERVIEW:

Staff has been working with Story Construction (SC) on finalizing a contract utilizing the AIA Document C132 – 2019: Standard Form of Agreement Between Owner and Construction Manager as Adviser which is shown in Attachment A. This is a standard form developed by the American Institute of Architects and has been modified based on conversations with SC representatives. Highlights of the contract changes are as follows:

Section 1.1.3 – Owner’s Budget for the Cost of the Work

Council has set the maximum cost of construction of the FFIAC at \$20,500,000. This does not include land cost, architect fees, CM fees, FFE (Furniture, Furnishings, Equipment), and other soft costs.

Section 1.1.4 – Anticipated Milestone Dates

Design to begin in December 2022 with bids due December 2023. Award of Contract in January 2024 with building construction beginning April 2024. Grand opening is scheduled for fall 2025.

Section 1.1.7 – Sustainable Objectives for the Project

The objective is to design with sustainable measures to include future solar panels and evaluation of geothermal.

Section 3.2.24 – Insurance Requirements

The City will obtain Builders Risk insurance for this project.

Section 3.2.9 – Construction Cost Estimates

The CM will prepare construction cost estimates at the end of Schematic Design (SD), end of Design Development (DD), and 80% Construction Documents (CD). The 80% CD estimate will be revised as needed to provide a final estimate prior to bidding. Note that the Architect will also prepare estimates at SD, DD, and 80% CD. Any differences between the estimates will be reconciled prior to moving forward to the next phase.

Section 3.2.19 – Bidding

It should be noted that bidding for this project will be different than other City projects because a General Contractor (GC) is not being used. With a GC, there is one bid package and the GC hires all of its subcontractors to complete the work. **With a CM, there will be multiple bid packages (15-20) and the City will enter into a contract with each of these Prime Contractors.** The CM and Architect will assist the City in this bidding process. There is a separate contract that has been developed that will be used with each of the Prime Contractors.

Section 4.1.1.6, 4.1.1.14, and 4.1.1.16 – Supplemental Services

Clarifies that these services are part of the basic scope of services and will not be treated as additional services.

Please note that an effort has been made to limit what can be categorized as additional services yet keeping a sense of fairness in mind throughout the negotiation phase.

Section 6.1 – Cost of Work

Clarifies what is included in the Cost of Work.

Section 8.2.4 – Method of Binding Dispute Resolution

Specifies the method as mediation followed by litigation.

Section 8.3 – Arbitration

Deleted

Section 9.9 – Purchase of DOT Property

This has been added and it states, “If the purchase of the DOT property is unsuccessful, this contract will be terminated and Owner will compensate the Construction Manager only for services provided up to that point”.

Section 11.1.1 and 11.1.2 – Cost for CM Services

Through negotiations, SC reduced their Construction Management Fee from 2.25% to 2.1% and adjusted some staffing fees due to the project completion date being one year later than originally stated. The final cost of the contract for CM services (preconstruction and construction) is \$1,392,229 as shown below:

Preconstruction Phase Services	\$ 135,327
Construction Management Fee	\$ 430,500
Construction Phase Staffing	\$ 765,022
Reimbursables (Not to Exceed)	\$ 61,380
Total	\$1,392,229

It should be noted that when the bid packages are awarded, there will be another contract with Story Construction for construction General Conditions (i.e. dumpsters, portable restrooms, fencing, etc.). There will be no mark-up on these items and will be part of the \$20.5 million construction budget.

ALTERNATIVES:

1. Award a contract to Story Construction for Construction Management Services related to the design and construction of the Fitch Family Indoor Aquatic Center in the amount not to exceed of \$1,392,229.
2. Do not award a contract at this time and provide direction to staff as to what changes Council would like to see made to the contract.
3. Do not award a contract to Story Construction and direct staff to initiate a new Request for Proposal for Construction Management Services for the Fitch Family Indoor Aquatic Center.

This option would delay the project and most likely increase the project cost.

CITY MANAGER’S RECOMMENDED ACTION:

This is the first time the City will be contracting for construction management services, so there are some components of this process that will be new to the City. The attached contract with Story Construction spells out their responsibilities to assist the City with

managing this large project. Story's involvement in the preconstruction phase should prove to be very valuable in assuring the building design can be built with the funds available. Having Story on-site to work with multiple prime contractors will take a heavy burden off City staff as it relates to the day-to-day management of the project. Therefore, it is the City Manager's recommendation to approve Alternative #1 as stated above.

MEMO



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TO: Members of the City Council
FROM: John A. Haila, Mayor
DATE: December 13th, 2022
SUBJECT: Fitch Family Indoor Aquatic Center

Contract with Story County Construction of Ames coming Monday, December 12, 2022

JAH/rh