



Legislation Text

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**Title**

**Construction Management @ Risk Contracting Methodology - Wallace Kuralt Center Renovation**

**Action**

**ACTION:**

**Authorize the use of the Construction Management @ Risk (CM@Risk) contracting methodology for the Wallace Kuralt Center Renovation as the best construction contracting delivery method for the project.**

**Staff Contact:** Martin Flores, Project Manager, Asset and Facility Management

**Presentation:** No

**BACKGROUND/JUSTIFICATION:**

In 2001, the General Assembly Session Law 2001-496 enacted Senate Bill 914 (revisions to G.S. 143-128) to provide construction flexibility for public entities by allowing the use, without limitation, of separate prime contracting, single prime contracting, dual bidding, Construction Management at Risk (CM@Risk), and alternative contracting methods authorized by the State Building Commission.

Effective October 1, 2014, the NC Legislature approved revisions to Section 143-128.1, requiring the comparison of the advantages and disadvantages of the CM@Risk method, and a decision by the governing body that the CM@Risk method "is in the best interest of the project" before it can be used by a public entity for a project.

*"(e) Construction Management at Risk services may be used by the public entity only after the public entity has concluded that construction management at risk services is in the best interest of the project, and the public entity has compared the advantages and disadvantages of using the construction management at risk method for a given project in lieu of the delivery methods identified in G.S.143-128(a1) (1) through G.S. 143-128(a1) (3). The public entity may not delegate this*

*determination."*

The office of Asset and Facility Management has developed the attached matrix comparing the traditional Design-Bid-Build contracting method to the CM@ Risk method.

With the Construction Management at Risk (CM@Risk) project delivery method, the construction manager assists the County with scheduling, constructability, and budget control prior to construction and the CM@Risk is accountable for delivering the project on-schedule and within budget during construction.

The County has successfully utilized the CM@Risk contract methodology previously on multiple projects involving renovations and new construction, including, but not limited to, the Valerie C. Woodard Center renovation, the MEDIC Headquarters and Operations Relocation, the Eastway Regional Recreation Center, the Northern Regional Recreation Center, and the Ella B. Scarborough Community Resource Center. These projects were large, complex renovation projects that were time and budget sensitive.

Charlotte Mecklenburg Schools, Central Piedmont Community College and the City of Charlotte have also successfully utilized the CM@Risk methodology.

### **Project Description**

For this project, the CM@Risk shall provide services for both the pre-construction and construction phases related to the existing building renovation of the Wallace Kuralt Center (301 Billingsley Road). The proposed project includes the design and complete renovation of the building interior and exterior, as well as replacements of all mechanical, plumbing and electrical systems, which have reached "end-of-life" status. The newly renovated building will provide an enhanced environment for many of the Department of Community Resources (DCR) employees, as well as contribute toward the County's 2035 goal of net-zero carbon. The scope of work may also include upfit of lease space to house employees during the building renovation, as well as a minor upfit to Suite 1800 of the Valerie C. Woodard Center to house Child Family and Adult Services employees.

In review of the attached Comparison Matrix, the following advantages make a CM@Risk Contract methodology the best delivery option for the Wallace Kuralt Center Renovation Project and in the best interest of the project. Details that pertain to the project are in parenthesis:

- a) Selection of contractor based on qualifications, experience, and team. (*Qualifications based on similar projects of scale or complexity*)
- b) Contractor provides design phase assistance in constructability, budgeting, and scheduling.

*(Assistance in pre-construction services for this project)*

- c) Continuous budget control possible. *(Design phases need budget monitoring throughout the process).*
- d) Prequalification of subcontractors allows Owner and contractor to ensure quality and experience. *(This helps mitigate cost overruns & delays and ensures a quality product.)*
- e) Subcontracts are competitively bid by pre-qualified contractors. *(Lowest price by qualified contractors).*
- f) Better coordination between the design team and contractor. *(This collaboration allows early pricing, scheduling, and expedited implementation).*
- g) Changes in scope during design can be immediately priced by CM@Risk to determine budget impact. *(Better budget data to inform potential design changes prior to construction).*
- h) Should reduce change orders during construction since CM@Risk participated in the design phase. *(Minimizes unexpected costs and/or delays).*
- i) Typically used for large or complex projects requiring a high level of construction management due to multiple phases, technical complexity, or multi-disciplinary coordination. *(The project will be technically complex to manage, as well as require many different trades to construct.)*
- j) Allows early ordering/purchasing of materials/equipment with long lead times *(certain materials and equipment still have supply chain issues).*
- k) CM@Risk historically have provided greater MWBE participation for County projects. *(contractor's involvement in pre-construction allows more time for outreach to MWBE)*

**PROCUREMENT BACKGROUND:**

Qualification-based selection process for selection of Construction Management @ Risk Contract (G.S. 143-64.31)

**POLICY IMPACT:**

N/A

**FISCAL IMPACT:**

N/A