



Legislation Text

File #: 24-0072, Version: 1

Title

**Construction Management @ Risk Contracting Methodology -
Mecklenburg County Sheriff's Office Administrative Services Building
Renovation**

Action

ACTION:

Authorize the use of the Construction Management @ Risk (CM@Risk) contract methodology for the Mecklenburg County Sheriff's Office Administrative Services Building Renovation as the best construction contracting delivery method for this project.

Staff Contact: Herb Sprott, AIA, Project Manager, Asset and Facility Management Department

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.

"(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 Asset and Facility Management Department (AFM) has developed the attached matrix

comparing the traditional Design-Bid-Build contracting method to the CM@ Risk method. After comparing the advantages and disadvantages of the contracting options, AFM has determined CM@Risk is in the best interest of the project as a contracting methodology.

With the Construction Management at Risk (CM@Risk) project delivery method, the construction manager assists the County during the design phase with scheduling, constructability, and budget control prior to construction. The County has successfully utilized the CM@Risk contract methodology previously on multiple projects involving renovations and new construction, including, the Valerie C. Woodard Center Renovation, the MEDIC Headquarters and Operations Relocation, the American Legion Memorial Stadium Renovation, The Eastway Regional Recreation Center, and the Northern Regional Recreation 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

The Mecklenburg County Sheriff's Office Administrative Services Building (ASB) Renovation is a Capital project.

For this project, the CM@Risk contractor shall provide services for both the pre-construction and construction phases related to the renovation of the ASB. The proposed project includes the design and construction of renovations to the ASB for the purpose of relocating Sheriff's Office Headquarters and various divisions into the ASB, as well as the replacement of worn finishes and systems required in a building of this age.

In review of the attached Comparison Matrix, the following advantages make a CM@Risk Contract methodology the best delivery option for the ASB Renovation 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 large 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 phase needs budget monitoring throughout the process).*
- d) Prequalification of subcontractors allows Owner and contractor to ensure quality and experience. *(This helps mitigate cost overruns and delays, and ensures a quality product).*
- e) Subcontracts are competitively bid by pre-qualified contractors. *(Lowest price by qualified contractors).*
- f) Better coordination between design team and contractor. *(This collaboration allows early pricing, scheduling and expedited implementation, including early ordering of materials/equipment with long lead times).*
- 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, including evolving market and supply chain issues).*
- 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 due to the distinct nature of renovations, upgrading of the existing , occupied facility, and sequencing of work*).
- 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 subcontractors).

PROCUREMENT BACKGROUND:

N/A

POLICY IMPACT:

N/A

FISCAL IMPACT:

N/A