



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
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Title:

Construction Management @ Risk Contracting Methodology for County Projects

Summary

ACTION:

Authorize the use of Construction Management @ Risk (CM @ Risk) contract methodology for the following Capital Improvement Project as being in the best interest of the project and therefore being the best delivery method for the project:

- **Mecklenburg County Parks and Recreation - Northern Regional Recreation Center**

Staff Contact: Bert Lynn, PLA, 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 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 two project delivery methods (see “Construction Management @ Risk Comparison Matrix”).

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, the LUESA Relocation to 2145 Suttle Avenue, Mecklenburg County Aquatics Center renovation, Valerie C. Woodard Center renovation, and MEDIC Headquarters and Operations Relocation. These projects were large, complex renovation projects that were time and budget sensitive. The CM@Risk contract methodology will also be used on the Eastway Regional Recreation Center.

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

Project Description

The Northern Regional Recreation Center project is a new multi-use recreation complex. The site for the new facility is located on Old Statesville Road/Highway 115 on an undeveloped 41.4 acre site purchased specifically for this project in 2013. Park and Recreation’s priority is to provide a public service facility to the residents of northern Mecklenburg County with a variety of health, wellness, and educational opportunities. The Northern Regional Recreation Center is anticipated to be a multi-story, approximately 100,000 SF structure with the following amenities:

- Sports/Gymnasiums
- Health/Wellness/Fitness Center
- Running/Walking Track
- Aquatics
- Technology/Education Center
- Community Meeting Rooms/Classrooms
- Age focused rehabilitation facilities (dedicated senior/youth spaces)

- Offices
- Kitchen
- Site Infrastructure Improvements

In review of the Comparison Matrix above, the following advantages make a CM@Risk Contract methodology the best delivery option for the Northern Regional Recreation Center 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 recreation and aquatics facilities of large scale*)
- b) Contractor provides design phase assistance in constructability, budgeting, and scheduling. (*Assistance in pre-construction services for this project*)
- c) Continuous budget control possible. (*Determination for final space program 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*).
- g) Changes in scope during design can be immediately priced by CM@Risk to determine budget impact. (*More transparency in budget 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) Ability to quickly add or reduce CM@Risk management staff as project needs change. (*Flexibility of staffing allows potential phasing resulting in a more streamlined approach and consistent construction team*).
- j) Typically used for large projects that are complex, requiring a high level of construction management due to multiple phases, technical complexity or multi-disciplinary coordination. (*The Recreation Center will have a variety of uses, such as aquatics, gym, kitchens, rehabilitation, fitness center, community meeting rooms, etc. and will be technically complex to manage, as well as require many different trades to construct.*)

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