Legislation Details (With Text)

File #:	19-5443	**Version:**	1	**Name:**	Construction Management @ Risk Contracting Methodology for County Projects
Type:	Consent			**Status:**	Consent
File created:	5/9/2019			**In control:**	Asset/Facility Management
On agenda:	5/21/2019			**Final action:**	
Title:	Construction Management @ Risk Contracting Methodology for County Projects				
Sponsors:					
Indexes:					
Code sections:					
Attachments:	1. Construction Manager @ Risk Comparison Matrix.pdf				

Date	Ver.	Action By	Action	Result

Title:
Construction Management @ Risk Contracting Methodology for County Projects

Summary
ACTION:
Authorize the use of the Construction Management @ Risk (CM@Risk) contract methodology for the Northeast Community Resource Center and West Community Resource Center as the best construction contracting delivery method for the project

Staff Contact: **Steve Sweat, AIA, Senior 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 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, 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.

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

Project Description

The following two Community Resource Center (CRC) projects are included in the FY19 to FY23 Capital Improvement Plan (CIP).

1. **Northeast- Community Resource Center**
2. **West - Community Resource Center**

For each project, the CM@Risk shall provide services for both the pre-construction and construction phase related to the building of a new CRC. The CRC will offer a multitude of previously separated County health and human services at a single location.

In review of the attached Comparison Matrix, the following advantages make a CM@Risk Contract methodology the best delivery option for the BMC2U Northeast CRC and West CRC 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.** ***(Determination of final space program and design phase need 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. (*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.)***

ATTACHMENTS: Construction Management @ Risk Comparison Matrix

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