



CITY COUNCIL AGENDA ITEM

TO: Mayor & City Council

DATE: September 10, 2014

FROM: John McDonough, City Manager

AGENDA ITEM: Consideration of a Resolution to approve utilization of Construction Manager at Risk project delivery method for Public Works construction contracts including, but not limited to, City Center

MEETING DATE: For Submission onto the September 16, 2014, City Council Regular Meeting Agenda

BACKGROUND INFORMATION: (Attach additional pages if necessary)

See attached:

Memorandum
Resolution

APPROVAL BY CITY MANAGER: BM APPROVED

PLACED ON AGENDA FOR: **09/16/2014**

CITY ATTORNEY APPROVAL REQUIRED: () YES () NO

CITY ATTORNEY APPROVAL: [Signature]



To: Honorable Mayor and City Council Members

From: John F. McDonough, City Manager, and Wendell K. Willard, City Attorney

Date: September 10, 2014 for Submission onto the September 16, 2014 City Council Agenda

Agenda Item: Resolution to approve utilization of Construction Manager at Risk Project delivery method for public works construction contracts including, but not limited to, City Center

City Manager's and City Attorney's Recommendation:

The City Manager's Office and the City Attorney's Office recommend that City Council approve the attached resolution.

Background and Discussion:

On September 2, 2014, by resolution in regular session, City Council approved a site development plan for City Center, approving a proposed budget, and authorizing the City Manager and staff to take such actions as necessary to implement and further the goals of the Master Plan. In that connection, the City Manager and staff now desire to move forward with the design phase and construction services for City Center. Research of alternative delivery methods has been conducted, and the City Manager, staff and City Center development team recommend utilization of Construction Manager at Risk ("CM at Risk") as a construction delivery method authorized by Georgia law most advantageous to the City.

Pursuant to the attached resolution, the City Manager's office and City staff now seek recognition from City Council of the CM at Risk delivery method as an appropriate construction delivery method for the City and further seek authorization to utilize CM at Risk for public works construction projects including, but not limited to, City Center. In addition, the attached resolution authorizes the City Manager and staff to prepare appropriate policies and procedures to implement the CM at Risk delivery method.

Financial Impact:

As this resolution requests authorization for utilization of a construction delivery method, there is no financial impact.

Attachment:

Resolution

CITY MANAGER

**City Center
Master Development Site
Project Delivery Methods**

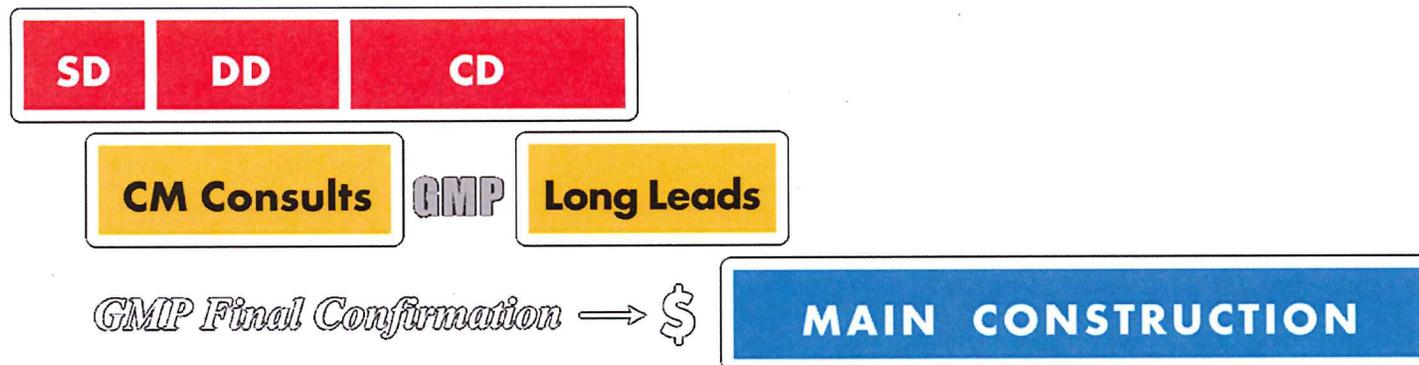
The traditional construction acquisition process:

- Project is designed by architect and awarded to low bidder
- Project is built by low bidder
- Issues include cost overruns and schedule busts

Alternative delivery methods developed

- Design/build
- Construction management at risk
- Integrated project delivery

CM-at-Risk Method



ADVANTAGES

- Brings CM (Contractor) in early to advise on costs, schedule, materials, methods, and logistics.
- Allows CM selection primarily on qualifications.
- CM provides periodic cost updates and “Guaranteed Maximum Price” statements from around mid-point through completion of Contract Documents.
- Saves bidding time
- Promotes collaboration

CM at Risk Recommended

Reasons for recommendation:

- Hybrid selection
 - Qualifications
 - Competition on fee and general conditions
- Early CM involvement
 - Cost input
 - Construction methods input
 - Subcontractor involvement
- Ability to accelerate construction
- Early commitment to guaranteed price

Questions

STATE OF GEORGIA
COUNTY OF FULTON

**A RESOLUTION TO APPROVE UTILIZATION OF CONSTRUCTION
MANAGER AT RISK PROJECT DELIVERY METHOD FOR PUBLIC WORKS
CONSTRUCTION CONTRACTS INCLUDING, BUT NOT LIMITED TO, CITY
CENTER**

WHEREAS, the City of Sandy Springs (“City”) is a municipal corporation duly organized and existing under the laws of the State of Georgia and is charged with providing public services to its residents; and

WHEREAS, the City has determined that it is necessary to develop a City center and infrastructure project (“City Center”); and

WHEREAS, following a year-long planning process which included multiple public open forum and stakeholder meetings inviting input, the Sandy Springs City Council (“City Council”) adopted its master plan for City Center (“Master Plan”) on December 18, 2012; and

WHEREAS, on February 5, 2013, City Council, by resolution in regular session (“Phase I Resolution”), approved the Phase I Implementation of City Center and authorized the City Manager and staff to proceed with the necessary steps to implement the Master Plan; and

WHEREAS, on September 2, 2014, by resolution in regular session, City Council approved a site development plan for City Center, approving a proposed budget, and authorizing the City Manager and staff to take such actions as necessary to implement and further the goals of the Master Plan; and

WHEREAS, the City Manager and staff now desire to move forward with the design phase and construction services for City Center and have researched alternative delivery methods; and

WHEREAS, O.C.G.A. § 36-91-20(c) authorizes governmental entities, including municipal corporations, to utilize any construction delivery method for public works construction contracts, including the Construction Manager at Risk (“CM at Risk”) delivery method, subject to the provisions therein for competitive procurements for public works construction contracts; and

WHEREAS, construction of City Center is a “public works construction” as defined in O.C.G.A. § 36-91-1, et seq.; and

WHEREAS, CM at Risk is a delivery method in which the CM at Risk firm participates in the design phase of a project by evaluating cost, schedule, implications of alternative designs, constructability reviews and value engineering; and

WHEREAS, during construction, the CM at Risk assumes the risk for price based on a guaranteed maximum price and schedule, and contracts directly with subcontractors as a single point of responsibility for delivery of the project; and

WHEREAS, the City Manager, staff and the City Center development team recommend utilization of CM at Risk as a construction delivery method advantageous to the City;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Sandy Springs, Georgia, while in regular session on September 16, 2014, at 6:00 p.m., as follows:

1. City Council hereby recognizes and authorizes use of the CM at Risk delivery method as a construction delivery method for the City in connection with public works construction projects; and
2. City Council hereby authorizes the City Manager and staff to develop appropriate policies and procedures to implement the CM at Risk delivery method in connection with public works construction projects; and
3. Subject to applicable City procurement policies, City Council hereby authorizes the City Manager to execute any documents and to take any other steps which may be necessary to effectuate the intent of this resolution; and
4. To the extent any portion of this resolution is declared to be invalid, unenforceable, or nonbinding, that shall not affect the remaining portions of this resolution; and
5. This resolution shall take effect immediately.

RESOLVED this the _____ day of _____, 2014.

Approved:

Russell K. Paul, Mayor

Attest:

Michael Casey, City Clerk

(SEAL)