

INTRODUCED: March 6, 2023

Expedited Consideration

A RESOLUTION No. 2023-R015

To authorize the utilization of the construction management procurement method for the construction of the Thomas B. Smith Community Center and the Lucks Field Community Center projects.

\_\_\_\_\_  
Patron – Mayor Stoney

\_\_\_\_\_  
Approved as to form and legality  
by the City Attorney  
\_\_\_\_\_

PUBLIC HEARING: MAR 6 2023 AT 6 P.M.

WHEREAS, pursuant to Resolution No. 2023-R004, adopted January 23, 2023, the Council approved procedures for utilizing construction management or design-build contracts for City construction projects; and

WHEREAS, the project procurement method for utilizing construction management contracting must be approved by Council for certain projects pursuant to section 50-7.2.1(b) of City of Richmond Department of Procurement Services Policy and Procedure No. 50 (“Design-Build and Construction Management Contracting”), concerning design-build and construction management contracting; and

NOW, THEREFORE,

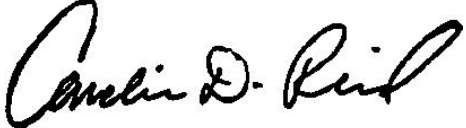
AYES:           8           NOES:           0           ABSTAIN: \_\_\_\_\_

ADOPTED:   MAR 6 2023   REJECTED: \_\_\_\_\_   STRICKEN: \_\_\_\_\_

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That, in accordance with City of Richmond Department of Procurement Services Policy and Procedure No. 50 (“Design-Build and Construction Management Contracting”), the Council hereby approves the utilization of construction management procurement method for the construction of the Thomas B. Smith Community Center and the Lucks Field Community Center projects.

**A TRUE COPY:  
TESTE:**

A handwritten signature in black ink, appearing to read "Carolin D. Reed". The signature is written in a cursive style with a large initial 'C'.

**City Clerk**



# City of Richmond

Intracity Correspondence

## O&R REQUEST

**DATE:** February 24, 2023

**EDITION:** 1

**TO:** The Honorable Members of City Council

**THROUGH:** The Honorable Levar M. Stoney, Mayor

**THROUGH:** Lincoln Saunders, Chief Administrative Officer

**THROUGH:** Rene Almaraz, Director of Procurement Services

**THROUGH:** Robert C. Steidel, Deputy Chief Administrative Officer

Robert C Steidel

Digitally signed by Robert C Steidel  
Date: 2023.02.24 09:46:36 -05'00'

**FROM:** Bobby Vincent, Director of DPW

**RE:** To request the use of Construction Management at Risk (CM@R) Project Delivery Method

**ORD. OR RES. No.** \_\_\_\_\_

**PURPOSE:** To adopt a resolution to authorize the use of the CM@R delivery method, for TB Smith and Luck's Field Community Centers.

**REASON:** Department of Parks and Recreation and Community Facilities (DPRCF) in conjunction with the Department of Public Works( DPW) has employed AECOM to evaluate the best project management approach due to schedule requirements, market pressures on price and supply chain concerns. Using the CM@R project delivery method can offer better cost control throughout the construction project life cycle. The construction manager provides estimates for the cost of materials and labor, so the project owner has a better idea of how to budget.

DPW has determined that CM@R is the best delivery method to achieve the City's scheduled goal and reduce the pressures of market activity and supply chain disruptions and therefore recommend CM@R be selected as the delivery method of choice for the TB Smith and Luck Field Community Center projects

**RECOMMENDATION:** Approval.

**BACKGROUND:** The City's desire to achieve completion prior to the end 2024 clearly shows CM@R to be the delivery best suited to meet this schedule. While the Design-Bid-Build delivery method is a linear method the CM@R is a parallel delivery method allowing for design activities and construction activities to run in parallel.

As for the present market conditions, we are finding the very active construction market is creating extensive bidding pressure on medium sized projects. The large amount of work within the general Richmond marketplace is found to be limiting the number of competitive bidders and that bids are substantially above budget due to the pressure on bidders.

Finally, the review of current supply chain issues indicates that pressures in the marketplace from the COVID pandemic have not receded and that delivery of typical non-specialty equipment and material is under considerable pressure with lead times near their all-time lengths.

The CM@R project delivery method means that the project owner hires a construction manager early on in the process—typically in the design phase—to serve as a representative and consultant during the project. The Construction Manager also manages the project throughout each phase, ensuring it stays on budget and on schedule.

An individual construction manager or a construction management firm can hold this position, depending on the project's size. Sometimes larger projects require an entire construction management team overseeing the process, whereas smaller projects may require one construction manager. The owner's preference is key, as they might want the assurance of a team's expertise or would rather collaborate with one person.

The CM@R method establishes a Guaranteed Maximum Price (GMP), or price limit the project cannot exceed. The construction manager is contractually bound to adhere to the GMP and is financially liable if the project goes over budget (hence the term "at risk").

In accordance with Policy 50- Design-Build Construction Management Contracting Paragraph 50-7.2.2, the Director of Procurement Services has determined the CM@R is an appropriate procurement delivery method to bring TB Smith and Luck's Field Community Centers to fruition in a timely manner.

**FISCAL IMPACT / COST:** None

**FISCAL IMPLICATIONS:** Project cost savings.

**BUDGET AMENDMENT NECESSARY:** No

**REVENUE TO CITY:** N/A

**DESIRED EFFECTIVE DATE:** Upon adoption

O&R Request

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**REQUESTED INTRODUCTION DATE:** March 6, 2023

**CITY COUNCIL PUBLIC HEARING DATE:** March 6, 2023

**REQUESTED AGENDA:** Consent

**RECOMMENDED COUNCIL COMMITTEE:** N/A

**CONSIDERATION BY OTHER GOVERNMENTAL ENTITIES:** N/A

**AFFECTED AGENCIES:** Departments of Public Works

**RELATIONSHIP TO EXISTING ORD. OR RES.:**

**REQUIRED CHANGES TO WORK PROGRAM(S):** None

**ATTACHMENTS:** Written Determination from Director of Procurement Services

**STAFF:**

Lynne Lancaster, Deputy Director DPW -Extension 6006



DEPARTMENT OF PROCUREMENT SERVICES

**INTRACITY CORRESPONDENCE**

**DATE:** February 15, 2023  
**TO:** Lynne Lancaster, Deputy Director Public Works  
**FROM:** Rene M. Almaraz, Director of Procurement Services  
**SUBJECT:** Written Determination for Procurement of Construction Management Contract

The Department of Public Works (DPW) and the Department of Parks and Recreation (PRCF) are in the planning stages of the implementation of the TB Smith Field Community Center and the Luck's Field Community Center projects. In accordance with Policy 50 - Design-Build and Construction Management Contracting, Paragraph 50-7.2.2, I am providing this written determination required for the procurement of a construction management contract.

Key elements of schedule requirements and market pressures on price and supply chain concerns were evaluated by the contractor AECOM on behalf of DPW. As a result of this evaluation, AECOM and DPW have determined Construction Manager at Risk (CMAR) is the procurement and delivery method that is best suited to meet the City's schedule to achieve completion prior to the end 2024. While the Design-Bid-Build procurement delivery method is a linear method, the CMAR method provides a parallel delivery method allowing for design activities and construction activities to run in parallel.

Present market conditions provide for very active construction market and is creating extensive bidding pressure on medium sized projects. The large amount of work within the general Richmond area is limiting the number of competitive bidders and bids are substantially above budget due to the pressure on these bidders.

Current supply chain issues indicate that pressures in the marketplace from the Covid pandemic have not receded. As such, delivery of typical non-specialty equipment and material is under considerable pressure with lead times near their all-time lengths.

In consideration of the evaluation performed on the three critical elements above and after review of the evaluation of their combined influences on the project, the CMAR procurement delivery method provides the best opportunity to achieve the City's schedule goal and reduce the pressures of market activity and supply chain disruptions. Therefore, I have determined that Construction Manager at Risk is an appropriate procurement delivery method for the TB Smith Field Community Center and the Luck's Field Community Center projects.

Authorization to move forward:  Approve  Decline

  
Rene M. Almaraz, Director Procurement Services

2-15-23  
Date