

INTRODUCED: June 5, 2023

A RESOLUTION No. 2023-R028

To authorize the utilization of the construction management procurement method for the reconstruction of Fire Station No. 21 located on the property known as 2505 Richmond Highway.

Patron – Mayor Stoney

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUN 12 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 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: 9 NOES: 0 ABSTAIN: _____

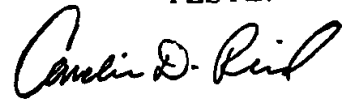
ADOPTED: JUN 12 2023 REJECTED: _____ STRICKEN: _____

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 the construction management procurement method for the reconstruction of Fire Station No. 21 located on the property known as 2505 Richmond Highway.

A TRUE COPY:

TESTE:

A handwritten signature in black ink, appearing to read "Camlin D. Reed". The signature is fluid and cursive, with the first name "Camlin" being more prominent.

City Clerk



City of Richmond

900 East Broad Street
2nd Floor of City Hall
Richmond, VA 23219
www.rva.gov

Master

File Number: Admin-2023-0377

File ID: Admin-2023-0377

Type: Request for Ordinance or Resolution

Status: Regular Agenda

Version: 1

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Patron(s):

Enactment Date:

Attachments: Admin-2023-0377

Enactment Number:

Contact:

Introduction Date:

Drafter: Lynne.Lancaster@rva.gov

Effective Date:

Approval History

| Version | Seq # | Action Date | Approver | Action | Due Date |
|---------------------------------------|-------|-------------|------------------|---------|-----------|
| 1 | 1 | 5/22/2023 | Bobby Vincent | Approve | 5/23/2023 |
| 1 | 2 | 5/22/2023 | Robert Steidel | Approve | 5/23/2023 |
| 1 | 3 | 5/22/2023 | Rene Almaraz | Approve | 5/23/2023 |
| 1 | 4 | 5/22/2023 | Jeff Gray | Approve | 5/23/2023 |
| Notes: Approved: Out of Office | | | | | |
| 1 | 5 | 5/23/2023 | Lincoln Saunders | Approve | 5/31/2023 |
| 1 | 6 | 6/2/2023 | Mayor Stoney | Approve | 6/12/2023 |

History of Legislative File

| Ver- sion: | Acting Body: | Date: | Action: | Sent To: | Due Date: | Return Date: | Result: |
|---------------|--------------|-------|---------|----------|-----------|-----------------|---------|
| | | | | | | | |

City of Richmond
Intracity Correspondence

O&R REQUEST

DATE: May 22, 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

FROM: Bobby Vincent, Director of DPW

RE: To request the use of Construction Management at Risk (CM@R) Project Delivery Method for a Project Under \$26,000,000

ORD. OR RES. No.

PURPOSE: To adopt a resolution to authorize the use of the CM@R delivery method, for reconstruction of Fire Station #21 located at 2505 Richmond Highway which is under \$26,000,000 threshold for use of CM@R.

REASON: Pursuant to Va. Code §2.2-4382(D)(1), construction management contracts may be used for projects where the project cost is expected to be less than \$26,000,000, provided that (i) the project is a complex project and (ii) the project procurement method is approved by City Council.

The Va. Code §2.2-4379 describes a "Complex project" as a construction project that includes one or more of the following significant components: difficult site location, unique equipment, specialized building systems, multifaceted program, accelerated schedule, historic designation, or intricate phasing or some other aspect that makes competitive sealed bidding not practical.

The Department of Public Works (DPW) in conjunction with the Richmond Fire Department has employed AECOM to evaluate the complexity of this project. DPW has determined that this is a Complex project as defined by Va. Code §2.2-4379 for the reasons below:

1. The project site has significant constraints requiring the new building to be three stories high and to utilize an adjacent alley for ingress and egress of firefighting equipment.
2. There is a critical demand for an accelerated schedule due to the immediate need to bring this fire station back into service and to meet the needs of the community this station services. The use of CMR allows the construction to commence prior to the completion of design thus allowing the project to meet an accelerated schedule.
3. The facility will contain unique equipment related to decontamination
4. Market pressure on the ordering of specialty firefighting and security equipment is an additional aspect to the project that creates substantial pressure to the accelerated schedule
5. To meet the accelerated schedule requirements the project has been established as multi-phased

project with three distinct phases: demolition, construction of new building, improvements to adjacent alley way for egress and ingress.

DPW has also determined that employing the CM@R procurement method is 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.

RECOMMENDATION: Approval.

BACKGROUND: There is a critical need for the replacement of Fire Station #21. It services a distressed community with numerous historical environmental justice concerns that require an immediate public safety response.

The new fire station must be built on the site of existing fire station to maintain public safety in that service area. The existing staff and their equipment will be moved to other stations to continue responding to needs in the Fire Station #21 service area but response time will be reduced which dictates the demand for a rapid replacement of the existing fire station.

The project is a multi-phased project requiring complete demolition of the existing building, construction of a new building and upgrades to the adjacent alley to accommodate heavy equipment.

Based upon the status of design, if the project were to be delivered in a design-bid-build scenario an IFB could not be issued earlier than November 2023 with demolition and construction taking approximately 18 months to complete in this scenario. When reviewing the projects present status in relationship to the CM@R delivery method, it is probable that demolition could commence in September of 2023 and construction in November 2023. This scenario allows for the quickest delivery of an operational fire station on or about December 2024. The CM@R delivery method also allows the CM@R to order long lead equipment prior to commencement of the actual construction work.

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.

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 Fire Station #21 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

REQUESTED INTRODUCTION DATE: June 5, 2023

CITY COUNCIL PUBLIC HEARING DATE: June 5, 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.: None

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: May 12, 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) is in the planning stages of the implementation of the Richmond Fire Department Station 21 project that replaces the existing Fire Station at 2505 Richmond Highway. 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.

As background to this project, the existing station has faced substantial flooding issues and is unable to support the recent changes and upgrades to operational standards and requirements. The new station is projected to be 19,500 square feet contained within a three-story structure due to severe site constraints and is deemed a priority public safety project due to the existing facility's inability to house the required staff and equipment.

The fire station is planned to be opened for full operations in December 2024. The new construction is identified as a three-stage project; 1. Demolition of existing facility, 2. Construction of new facility and 3. Upgrades to adjacent public alley way as emergency access and egress. As such there is an immediate need to award, commence and complete the project.

Public safety needs and schedule requirements to replace the existing facility as well as the multi-phased approach of the project were evaluated by the contractor AECOM on behalf of DPW. The Design-Bid-Build procurement delivery method is a linear method, while the Construction Manager at Risk (CMAR) approach provides a parallel delivery method allowing for design activities and construction activities to run in parallel.

With the need to place this new public safety facility into operations no later than December 2024 and in consideration of the evaluation of procurement methods to meet this goal, after review of this evaluation the Construction Manager at Risk (CMAR) procurement delivery method provides the best opportunity to achieve success and it is determined that is best suited to meet the City's schedule to achieve completion under these time constraints.

Authorization to move forward: ☒ Approve ☐ Decline

Rene M Almaraz
Rene M. Almaraz, Director Procurement Services

May 12, 2023
Date