

INTRODUCED: June 5, 2023

A RESOLUTION No. 2023-R029

To authorize the utilization of the construction management procurement method for the construction of a new police precinct to be located on the property known as 1701 Fairfield Way.

Patrons – Mayor Stoney and Ms. Trammell

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 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,

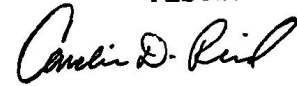
AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: JUL 24 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 construction of a new police precinct to be located on the property known as 1701 Fairfield Way.

**A TRUE COPY:
TESTE:**

A handwritten signature in black ink, appearing to read "Carlin D. Rind".

City Clerk



City of Richmond

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

Master

File Number: Admin-2023-0380

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Patron(s):

Enactment Date:

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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 construction of Police Precinct #1 located at 1701 Fairfield Way which is under the \$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 Police 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. There is a critical need for the replacement of Police Precinct #1. It services a distressed community with numerous historical environmental justice concerns that demand an immediate public safety response.
2. The present facility does not meet modern public safety standards and cannot house the present staff assigned to the precinct.
3. The new Police Precinct will be built on a city-owned site adjacent to the Justice Center on Oliver Hill Way. This site is smaller than the existing site and will require substantial utility upgrades to support the new Police Precinct.
4. The selected site will require the construction of an adjacent parking deck to house department vehicles and officer POVs due to site size constraints.
5. Following the construction of the new Precinct Building the contractor will demolish the existing Police

Precinct to ready the property for a new use.

6. The conceptual design cost estimate shows the cost of precinct, parking deck and demo of existing facility does exceed \$26 million.

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 Police Precinct #1. It services a distressed community with numerous historical environmental justice concerns that require an immediate public safety response.

The new police precinct must be built on city-owned property within the boundaries of the existing #1 precinct to maintain public safety in that service area. The existing staff and their equipment will remain at their current site to continue responding to needs in the Police Precinct #1 service area. The project is a multi-phased project requiring construction of a new building and parking garage to accommodate the needs of Police Precinct #1 and the Justice Center. The precinct will be built on the parking lot of the Justice Center.

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 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 Police Precinct #1 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 19, 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, Police Precinct 1

The Department of Public Works (DPW) is in the preliminary stages of the implementation of the replacement Police Precinct 1. 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.

There is a critical need for the replacement of Police Precinct 1. It serves a distressed community with numerous historical and environmental justice concerns that demand an immediate public safety response. The present facility does not meet modern security standards and cannot house the present staff assigned to the precinct. The new precinct will be built on a site adjacent to the Justice Center on Oliver Hill Way and is smaller than the existing site and will thus require substantial utility upgrades.

During the review of project status, it was found that the design effort is only in conceptual stage and has not yet achieved substantial completion. There are approximately six months of effort left to achieve final design and issuance of construction document. The project is also complex in that it includes multiple new structures and demolition of an existing structure, and it contains multiple phases. The project also has been identified as priority Public Safety project and has a compressed schedule to bring this new facility online in December 2024.

Based upon the status of design, if the project were to be delivered in a design-bid-build procurement method, an IFB could not be issued earlier than October 2023 with construction not commencing until December 2023 thus not leaving enough time to complete the project in compressed schedule.

Based upon the project description and requirements DPW and AECOM believe Construction Manager at Risk (CMAR) procurement method is the only method that will allow for this critical public safety facility to be replaced in a timely manner. It is recommended that CMAR be chosen as the delivery method for the Police Precinct 1 project and as the project's projected cost does not meet or exceed the \$26 million threshold the City seek approval for CMR use from the Governing Body of Richmond.

In consideration of the evaluation and review on this project, the CMAR procurement delivery method provides the best opportunity to achieve the City's schedule goal. Therefore, I have determined that Construction Manager at Risk is an appropriate procurement delivery method for the Police Precinct 1 project.

Authorization to move forward: ☒ Approve ☐ Decline

Rene M. Almaraz
Rene M. Almaraz, Director Procurement Services

May 19, 2023
Date