



Legislation Text

File #: K-1819-133, **Version:** 1

CONTRACT K-1819-133: A CONTRACT BY AND BETWEEN THE CITY OF NORMAN AND CROSSLAND CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF \$17,575 TO PROVIDE CONSTRUCTION MANAGEMENT AT RISK SERVICES FOR THE NORMAN FORWARD RUBY GRANT PARK DEVELOPMENT PROJECT AND RESOLUTION R-1819-102 GRANTING TAX EXEMPT STATUS.

BACKGROUND: On 13 October 2015, the citizens of Norman voted to fund the *Norman Forward* quality of life projects with a limited term ½% sales tax increase for 15 years. This initiative included a number of high priority projects identified in the 2014 Library Master Plan Update, the 2009 Norman Parks and Recreation Master Plan and additional projects designed to provide recreational opportunities for Norman residents. One of these projects was the development of Ruby Grant Park.

DISCUSSION: The Master Plan for the Ruby Grant Park Site was approved by City Council in January of 2008. The project will include entry and parking areas, a competitive cross country trail facility, multi-purpose trails and walkways, dog park, disc golf course, playground area, picnic pavilions, and restroom facilities. Howell and VanCuren, Landscape Architects have been working to develop the construction documents that will be used to build the park improvements. Those documents are currently at 60% completion and expected to be ready for bidding later this summer.

The City's Project Management Consultants from ADG have participated throughout the entire design development process. As part of this process, we have determined that this project would be a good opportunity to utilize the Construction Manager at Risk (CMaR) process, instead of a Design-Bid-Build process that we have utilized in the past. We have utilized the CMaR process on the Westwood Indoor Tennis project, which has proven to be a successful process for completing the project.

In February we advertised and received CMaR service proposals from seven management service companies. Three companies were selected for interviews, which were conducted on March 13, 2019. Based on their experience with other similar projects, Crossland Construction Company was selected as the company having the best proposal for managing the construction work at Ruby Grant Park.

Construction Manager at Risk is a process where the City of Norman ("Owner") will hire a Construction Manager to handle all of the bidding of the different sections of the work and all the subsequent construction activity for the project for a Guaranteed Maximum Price (GMP). The GMP is subsequently considered as an amendment to the CMaR contract after the most responsible bids are secured through the proper bidding procedures that govern public projects. Project bids are sealed and opened consistent with the City's bidding policies. This method allows the CMaR to work for the Owner while they gather bids from their best pre-qualified vendors and subcontractors, who have a history of working with the CMaR. This can deliver better bid pricing to a known project manager. Also, the CMaR process often maximizes opportunities to get participation from local, smaller sub-contractors and can result in quicker project delivery without change orders, due to the GMP agreed-on at the time of awarding the construction contract(s) to the CMaR.

The construction will be fully bonded at the time when the construction bids are awarded for the GMP. At that stage, the CMaR contract includes all of the necessary professional liability and insurance and affidavits that come with all professional services contracts. Crossland Construction Co, Inc. has used this method on many of their projects in the past with excellent results.

For this project, since the construction documents are nearly complete, the fee for pre-construction services will be relatively small. The completed plans and specifications will be used by the CMaR to secure all bids and create the GMP that will be awarded by amendment to this contract. The amount being awarded via this CMaR contract are those monthly expenses listed in the contract which are associated with doing the business of the CMaR for the anticipated duration of the project. If the project extends beyond this time, unless due to the extreme circumstances itemized in the

contract, then those costs are born by the CMaR which is another driving factor for the project to stay on-time and in-budget. The GMP which will be awarded as an amendment to this contract will also include all of the CMaR's profit on the project, which will be itemized in the amendment. Whereas the costs and profits of a "hard bid" design-bid-build project are often not known (since those are a lump sum bid submitted by each general contractor bidding on the work), the CMaR method allows for full transparency of the budget and costs for each division of work, including profit. This way, all the fees and services are stated and memorialized in the initial contract agreement. Further, since this project is being funded on a pay as you go basis, the City of Norman is allowed to pass it's sales tax exemption on to the Construction Manager so that the products used for construction may be purchased on a tax exempt basis.

Adequate funds are available for this contract in the Ruby Grant Park Development project, Construction (account 051-9322-452.61-01; project NFP105)

RECOMMENDATION No. 1: It is recommended that the City Council approve Contract K-1819-133 with CROSSLAND CONSTRUCTION COMPANY, INC., in the amount of \$17,575 for Construction Management at Risk Services for the Ruby Grant Park Development Project for the Parks and Recreation Department.

RECOMMENDATION No. 2: It is further recommended that Crossland Construction Company, Inc. be authorized and appointed as project agent for the Ruby Grant Park Development Project by Resolution R-1819-102.