

Memorandum

City of Lawrence

Police Department

TO: Tom Markus, City Manager
Gregory C. Burns Jr., Chief of Police

FROM: Melinda Harger, Assistant Director of Utilities
Anthony Brixius, Police Captain

DATE: May 7, 2018

RE: Alternative Delivery for Police Facility

CC: Diane Stoddard, Assistant City Manager
Casey Toomay, Assistant City Manager
Brandon McGuire, Assistant to the City Manager
Scott McCullough, Planning and Development Director
Bryan Kidney, Finance Director
Derek Rogers, Director Parks and Recreation

Background

The Lawrence, Kansas Police Department and City of Lawrence staff has been in the process of examining a new police facility since 2011, when the facility needs assessment began.

In 2016, the Commission approved \$1.5 million dollars in the 2017 CIP for design and professional services of a police facility. In April 2017, the department presented a phased approach to the police facility discussion at a commission meeting. During the 2018 budget process, the commission approved a 1.25 mill levy increase to construct Phase I of a police facility. In December 2017, the commission selected 5100 Overland Drive as the site for the police facility. During that time, the commission designated approximately 16 acres for the police facility and approximately 13 acres for park use.

Charter Ordinance No. 45 was passed on second reading on February 20, 2018. It became effective on May 3, 2018. The Commission approved the Alternative Project Delivery Procedures at its meeting on May 1, 2018. Charter Ordinance No. 45 states that the Governing Body may authorize the City Manager to utilize an alternative project delivery method upon a finding by the Governing Body that alternative delivery is in the public interest. The option to use alternative project delivery instead of the traditional design-bid-build method is a "best practice" that allows the City to select the delivery method that best meets the unique needs of each project and provides the best value.

Delivery Methods Considered for Police Facility Phase I

Traditional Design-Bid-Build (DBB)	Construction Manager at Risk (CMAR)
Two separate contracts with designer and contractor	Two separate contracts with designer and contractor

<ul style="list-style-type: none"> • Designer selected based on qualifications • Project competitively bid to select contractor 	<ul style="list-style-type: none"> • Designer selected based on qualifications • CM selected on qualifications & best value • CM provides guaranteed price before construction begins
OWNER BENEFITS: <ul style="list-style-type: none"> • Owner controls design and construction • Can result in the lowest total construction cost due to the open field of bidding competition 	OWNER BENEFITS: <ul style="list-style-type: none"> • Collaboration between designer and contractor throughout design Transfer of responsibility for construction, and some risk, from owner to CM • Construction cost known and fixed during design • Construction may start before design completion, reducing project schedule
OWNER RISKS: <ul style="list-style-type: none"> • General contractor chosen primarily on price, secondarily on qualifications • Owner at risk to contractor for design errors • Contractor not involved during design • Design and construction are sequential, typically resulting in longer schedules • Construction cost unknown until contract award 	OWNER RISKS: <ul style="list-style-type: none"> • Potentially conflicting interests as both CM and contractor • Owner must require the CM to get multiple bids from subcontractors for all the major disciplines / trades to ensure competition • Owner must require an open-book policy to ensure transparent accounting of project cost • Reduced owner control of construction
DBB BEST SUITED FOR: Projects that are budget sensitive, but not schedule sensitive. Projects that are not subject to change.	CMAR BEST SUITED FOR: Projects that are schedule sensitive, difficult to define, or subject to potential changes. Projects requiring a high-level of construction management due to multiple phases, technical complexity, or multi-disciplinary coordination.

Project Factors

It is essential to choose an overall project delivery and contracting strategy that effectively and efficiently delivers the project. Staff recommends the Commission making a finding that CMAR for the Police Facility Phase 1 project is in the public interest pursuant to Charter Ordinance No. 45 for the following reasons:

Project phasing considerations

In the 2018 budget, \$17 million was designated for construction of Phase I of the Police Facility. While it is hopeful Phase II of the Police Facility would encompass any remaining need, consideration should be given to the possibility there could be several additional phases. The park will also be planned by the architects hired for the police facility. It is likely the park will be a separate construction phase creating at least a third phase to this project. Working with a

Construction Manager (CM) early in the process would allow the City to receive the most value in Phase I and potentially save the City large amounts of money on future phases, where elevated construction costs are a factor.

Police Facility Priorities		
Phase I	Phase I	Phase II
Priority 1	Priority 2	
Office of the Chief	Budget Analyst	Training
Information Technology	Public Affairs	DT Room
Records	Crime Analyst	Armory
Patrol	Vehicle Processing	Quartermaster
Evidence	OPA	Range
Forensic Processing	Crises Response Team	Traffic
Building Support	Long Term Evidence	Training Room (2)
Locker Rooms	Long term records	Armorer Room
Secure Parking	Patrol Service Dogs	Simulation Room
Storm Shelter	School Resource	EOC Backup
Parking	Community Room	
Detectives	Mental Health	
Outbuilding	Animal Control	
Fitness Room	DEU	

Technical complexities of the design

A police facility has several functions with user-specific needs that must be considered when designing those spaces. Functions contained within the department will require specific layout considerations, unique ventilation systems, individual security features, and design providing efficient work flow.

Potential scope changes during construction phase

Involvement of the CM during design would reduce the number of changes due to design errors or omissions. The CM would provide constructability reviews and input during each design phase. With traditional delivery, the awarded contractor will often catch these issues after bidding, which results in change orders. The CMAR contract would require a Guaranteed Maximum Price (GMP) and should significantly reduce the number of change orders.

Desire to encourage innovation and/or contractor input during design

The CMAR project delivery method encourages collaboration early in design between the designer and contractor. Having a contractor's perspective can bring forward innovative ideas. The CM will often present alternative materials or construction methods to consider, value-

engineering options, and ideas for reducing life-cycle costs. The requirement for this facility to have a storm shelter is just one example of an opportunity to benefit from the combined expertise and multiple perspectives found in a CMAR project.

Schedule

The CMAR delivery method allows for a shortened project timeline. Shortening the timeline and avoiding a summer bid date when contractors are most busy would be beneficial to the police facility project and would likely result in cost savings.

Process / Stage of Project	Estimated Date
Design	Aug 2018 – May 2019
Zoning, Platting & Site Plan	Aug 2018 – Dec 2018
Construction Method Possibilities	
Construction Manager at Risk	April 2019 – June 2020
Design Bid Build	July 2019 – Sept 2020

Public perception

A mill levy increase was enacted for funding of this facility. It will be critical for the public to perceive value in the funds spent on Phase I. Using CMAR as the delivery method would allow the City to utilize existing funding for maximum value potentially reducing future construction costs and reducing potential change orders. The project would use the Open Book Costing Method in which vendors are required by contract to provide an open book approach for the project.

Experience with particular delivery system

The City effectively used the CMAR delivery method on the \$19 million Lawrence Library Renovation, which was completed in 2014. Having the design consultant and CM working together on this renovation and expansion allowed the project costs to be closely monitored against the budget as design options were considered. The following factors were presented to the Governing Body when the decision was made to use a CM for the library project:

- Involvement of the CM firm in finalization of the plans and specifications assists in delivering the project within budget as pre-construction cost estimating from construction management firm improves estimates and necessary budget adjustments on the project can be more easily accomplished with a CM firm
- CM firm review of the costs and benefits of possible relocation of the library during construction will assist in making this decision
- Construction phasing and staging plans for this project will be assisted by a CM firm, including which parts of the project should be accomplished prior to other portions
- A shortened construction period may be achieved with a CM firm resulting in project cost savings

Internal resources to manage particular delivery system

City staff has been assigned to manage this project from planning and design through to the end of construction. Engineers from both Utilities and Public Works are available to offer their project management expertise and knowledge of the CMAR delivery system to Police throughout the project. The new Capital Project Management Software (CPMS) will be active in June 2018 and

used immediately to manage the project budget, expenditures, contracts, submittals, inspections, team communication, and related documents.

Expertise-Driven Project Delivery

Staff is working with Dr. Brian Lines of KU to use the Expertise-Driven Project Delivery (XPD) system for procurement and post-award metrics for the police facility design consultant and would utilize XPD on the CMAR contract as well. The XPD system utilizes an optimal procurement approach with project-specific evaluation criteria, distribution of anonymous "coded" proposal submittals to the Selection Committee, interviews of key vendor team personnel, and a pre-award clarification phase with review of the project schedule, execution plan, risk management plan, and metrics.

Recommendation

The Police Facility project is somewhat complex having multiple phases and a park included in the planning process. The facility has unique user needs and technical complexities making input from a contractor early in the process advantageous for both cost and design. Using the CMAR project delivery method provides early collaboration between the design team and the construction manager, includes a GMP contract with open book costing, and maintains a competitive bid process for significant elements of the project. Staff recommends the Commission authorize the City Manager to utilize the Construction Manager at Risk (CMAR) delivery method finding that it is in the public interest pursuant to Charter Ordinance No. 45 for the reasons set forth above. The CMAR delivery method provides the best value for the Police Facility project.