



FINANCE

To: Mayor and Town Council

From: Chris Landrum, Finance Director

**Through: Mario Canizares, Town Manager
Bob Scott, Deputy Town Manager**

Re: Construction Management Services Award - Raymond Park

Town Council Meeting – February 27, 2024

Strategic Visioning Priority: 4. Provide Excellent Municipal Services

Agenda Item:

Consider authorizing the Town Manager to enter into a Professional Services Agreement with Peak Program Value (PPV) for Construction Management Services for Raymond Park.

Description of Agenda Item:

The Town has traditionally constructed new facilities including parks using a Construction Manager at Risk (CMAR) approach with a Guaranteed Maximum Price (GMP). Under this approach, both the architect/engineer and the General Contractor are chosen in advance allowing them to collaborate with each other on the design and construction. While this approach often speeds project completion and helps teams anticipate problems resulting in a better product, it does not have a competitive sealed bid aspect that provides the Town and its taxpayers the assurance that they are receiving the best possible pricing for the project.

To address this concern many governments will utilize an independent expert to participate in the generation of the GMP including reviewing bids of the subcontractors and reviewing general contractor expenses. The Town utilized PPV for these services for Town Hall, Police Headquarters and Central Fire Station. In these past projects, PPV's role ended with the award of the GMP and payments to the General Contractor were made based on AIA forms showing percentage of completion.

Given that the GMP, is a cost plus arrangement PPV was asked to propose not just to provide GMP services but to take the project through completion to ensure that the Town will only pay for the actual costs incurred on the contract. PPV's involvement through the contract will also provide expert independent oversight of construction progress of this major park facility.

Budget Impact:

Cost of these services is \$141,750 which will be paid from the Raymond Park project budget (750-6610-10-00-2122-PK).

Legal Obligations and Review:

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the attached documents as to form and legality.

Attached Documents:

1. Proposed Professional Services Agreement

Town Staff Recommendation:

Town staff recommends Town Council authorize the Town Manager to enter into an agreement with Peak Program Value. At the end of construction, staff will be evaluating the value added for the additional services compared to the more limited GMP services utilized in the past.

The proposal was presented to the Parks and Recreation Board and the Finance Subcommittee. Both groups have recommended it to the Town Council for consideration.

Proposed Motion:

I move to authorize the Town Manager to enter into a Professional Services Agreement with Peak Program Value for construction Management Services for Raymond Park.