

## **CITY COUNCIL AGENDA ITEM**

CITY OF SHORELINE, WASHINGTON

**AGENDA TITLE:** Authorize the City Manager to Award the Professional Service Contract with Vanir Construction Management, Inc. for Construction Management & Inspection Services

**DEPARTMENT:** Public Works

**PRESENTED BY:** Mark Relph, Director of Public Works  
Tricia Juhnke, Capital Projects Administrator

### **PROBLEM/ISSUE STATEMENT:**

The 2008-2013 Capital Improvement Plan includes approximately ten projects for construction in 2008. In order to manage the construction of these projects, a Request for Qualifications (RFQ) was issued in November 2007 for a consultant to provide Construction Management and Inspection Services for the 2008 Construction Program. Six Statements of Qualifications (SOQs) were received, from which Vanir Construction Management, Inc. was selected as the most qualified and capable in providing construction management and inspection for the 2008 Capital Projects.

Individual contracts will be awarded on a project-by-project basis, to facilitate better cost tracking and management.

### **ALTERNATIVES ANALYZED:**

Construction management and inspection services are a critical component in delivering the capital program and ensuring projects are built to the City's requirements and within budget. Alternatives evaluated included:

1. Selection of one firm to provide services for all projects.
2. Selection on a project-by-project basis
3. Utilization of existing City resources.

Review of the three alternatives resulted in selecting alternative 1 and thereby utilizing one firm to provide the services on all of the projects. This alternative is the most cost-effective and efficient for the City resources and in delivering services to the community. Alternative 2 has been the typical approach in previous years, but typically there have been only one or two projects under construction. Alternative 3 was not a viable option because there are not adequate City resources to provide the level of service needed.

### **FINANCIAL IMPACT:**

All costs for Construction Management Services will be covered by the specific projects, and costs are incorporated into the project budgets. The following table provides a summary of the Construction Management costs per project.

|    | <b>Project</b>                                 | <b>Contract Amount</b> |
|----|------------------------------------------------|------------------------|
| 1. | Boeing Creek Park and Storm Water Improvements | \$179,900              |
| 2  | Pan Terra Pond and Pump Station                | \$170,600              |
| 3  | Priority Sidewalks- Fremont Ave N              | \$ 24,400              |
| 4  | East Boeing Creek – Darnell Park               | \$113,200              |
| 5  | Ronald Bog South Drainage Improvements         | \$93,100               |
| 6  | Saltwater Park Improvements                    | \$188,250              |
|    | <b>Total</b>                                   | <b>\$769,450</b>       |

The construction budget for these projects is approximately \$8 million dollars. The proposed construction management fees are just below 10% of the construction costs, which is within a typical range for these services and size of projects.

There is adequate funding within all the project budgets to cover the costs of these services.

### **RECOMMENDATION**

Staff recommends that the Council authorize the City Manager to execute contracts with Vanir Construction Management, Inc. for:

1. Boeing Creek Park and Stormwater Improvements, in the amount of \$ 179,900
2. PanTerra Pond and Pump Stations, in the amount of \$170,600
3. Priority Sidewalks – Fremont Ave N, in the amount of \$24,400
4. East Boeing Creek – Darnell Park, in the amount of \$113,200
5. Ronald Bog South Drainage Improvements, in the amount of \$93,100
6. Saltwater Park Improvements, in the amount of \$188,250

Approved By:      City Manager  City Attorney \_\_\_\_

## **INTRODUCTION**

Construction Management and Inspection Services are essential in providing construction oversight and administration on City Capital Projects. The nature and scope of these services include:

- Provide quality control to ensure the project is completed per plans and specifications
- Communicate project progress and issues with City staff.
- Act on behalf of the City in communicating with Contractors, utilities and other stakeholders
- Maintain project progress and cost reporting documentation, including supporting and tracking authorized changes
- Collect and maintain all documentation on the project
- Provide and coordinate testing and inspection of materials in accordance with the contract documents
- Provide daily inspection and oversight of all construction activities.

## **BACKGROUND**

Construction Management and Inspection Services have typically been provided by consultants, primarily because there are not adequate resources to perform this work by City staff. Typically, Request for Qualifications (RFQs) and the selection process have been performed on a project-by-project basis. In 2007, WH Pacific was selected to provide construction management on three projects (Dayton Retaining Wall, Priority Sidewalks, Traffic Signal at 15<sup>th</sup> Ave NE and 150<sup>th</sup> St). Utilizing one firm on multiple projects provided an efficiency that resulted in lower project costs for Construction Management and provided consistency between projects in administering construction contract.

Building on the results of 2007, an RFQ was issued in November 2007 for construction management and inspection for the following projects:

- East Boeing Creek Drainage Improvements
- Ronald Bog South Drainage Improvements
- Boeing Creek Park and Stormwater Improvements
- Pan Terra Pond and Pump Station
- 18<sup>th</sup> Ave NW Drainage Improvements
- 167<sup>th</sup> and Whitman Drainage Improvements
- Twin Ponds
- Saltwater Park Improvements
- Priority Sidewalks
- Traffic Signal at 170<sup>th</sup> and 15<sup>th</sup> Ave NE

The RFQ provided the City the option to award contracts to one or two firms based on which firms best served the needs of the City. Six SOQs were received and four firms were interviewed. Based on the contents of the SOQ and the interviews, Vanir Construction Management, Inc. was selected as a single firm that could meet the construction management needs of the diverse set of projects.

Vanir Construction Management, Inc. is a proven firm that specializes in construction management for public clients. They have a long history in providing these types of services for other municipalities and public agencies and they have adequate resources to meet the needs of the 2008 program. The Vanir project team includes six individuals that will be committed to City of Shoreline projects.

Based on the high volume of work in 2008, a single firm enables Staff to develop consistent systems and tools with one firm that will benefit projects in 2008 and in the future. One firm enables the City to reduce the oversight and management that would be required if multiple firms were utilized. Additionally, there are cost savings by utilizing inspectors and construction management resources on multiple projects under construction at the same time.

Costs for construction management have been negotiated with the Consultant as an overall program and based on the specific needs on a project. Construction management costs typically range from 8-12% of construction costs with variability based on size, complexity of the project and contractor performance. Fees contained herein are within these typical ranges. Individual contracts will be executed for each project to enable each project to best track and manage project costs and any necessary changes.

The City has already entered a contract agreement with Vanir for constructability reviews on several of these projects and for Construction Management and Inspection of 18<sup>th</sup> Ave NW Drainage Improvements. These contracts were within the City Manager's authorization and enabled Vanir to provide services while scopes and estimates on these other projects were negotiated.

### **RECOMMENDATION**

Staff recommends that the Council authorize the City Manager to execute contracts with Vanir Construction Management, Inc. for:

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5. Ronald Bog South Drainage Improvements, in the amount of \$93,100
6. Saltwater Park Improvements, in the amount of \$188,250