

Police Station Selection of Construction Management Firm

Background

The Village Board authorized the preparation of a Request for Proposals (RFP) to select a Construction Management firm which specializes in Police Station and Law Enforcement construction. The objective is to hire a qualified Construction Management firm to be involved in the preconstruction phase as well as manage the construction and project closeout.

In December, the Village issued a Request for Proposals to Construction Management firms specializing in Police Station and Law Enforcement facilities. At the end of January, the Village received 10 responses to the Request for Proposals. In February, the Village Board approved the selection of Legat Architects who teamed with McClaren Wilson Lawrie, Inc. as the architects to design the new Police Station. Securing a qualified Construction Management firm early in the design process is critical to ensuring the success of this project.

Summary of Construction Manager Services

Construction Management services can be summarized in the following phases:

Preconstruction Phase:

The Construction Manager will consult with the Village and architect and attend meetings as necessary to develop an overall schedule for design project completion. The Construction Manager will prepare preliminary cost estimates based upon the architect's schematic plans. Detailed cost estimates will be prepared based upon the architect construction documents at the 30%, 60%, 90%, and 100% stages of completion of the architectural drawings. The construction manager will be involved throughout the preconstruction process in value engineering opportunities and identifying critical path long-lead time items and the most cost effective ways of constructing the building.

Building Phase:

The Construction Manager will pre-qualify all subcontractors, prepare bid packages in accordance with Village requirements, and manage the bidding process. The Village is seeking services of a construction manager at risk, who will hold all the contracts, insurance, and bonds for the sub trades and enter into a guaranteed maximum price (GMP) at the appropriate stage of the project.

Construction Phase:

The Construction Manager will be responsible for the overall construction project management and onsite construction supervision, quality control and enforcement of construction schedule. In addition, the Construction Management firm will be responsible for project completion, closeout, final inspections, delivery and installation of all components of the building, and provision of "as built" drawings and project manuals in electronic format.

Selection Process /Selection Criteria

The Police Station committee that has been working on this project consists of the following representatives:

- o Thomas Glasgow - Trustee
- o Jim Tinaglia - Trustee
- o Charles Witherington-Perkins: Director of Planning & Community Development (Chair)
- o Gerald Mourning: Chief of Police
- o Nick Pecora: Deputy Chief of Police
- o Thomas Kuehne: Director of Finance
- o Cris Papierniak: Assistant Director of Public Works
- o Steve Hautzinger: Design Planner

The request for proposal was distributed to 24 Construction Management firms and the Village received 10 responses. The Police Station Committee members reviewed these proposals and narrowed the selection process down to five firms. Additional information and clarification regarding fees was requested from the firms. Fees from these firms ranged from \$1.6 million to \$2.7 million. Fees included pre-construction services, estimating, bidding, construction supervision and management, general conditions, insurance, bonds and construction management fees.

As part of the RFP, each firm was requested to complete a budget summary form designed to allow the Village to compare CM fees. However, each firm took a slightly different approach to preparing their fee and utilized various assumptions. For example, some firms calculated their fees based upon a 12 month construction period while others as much as 22 months. A difference in time period has a significant impact on construction staffing thus drastically modifies the fees. After discussions with Legat Architects, the five finalists were asked to provide fees based upon a standardized construction period of 16 and 18 months. Even with these revised submittals there were certain assumptions and clarifications that had to be made. As each firm approached the project differently assuming different staffing levels at various phases of the construction, as well as varying fees for insurance and bonds, it is not possible to completely compare an “apples to apples” comparison. In order to compare fees, Staff assumed the overhead and profit, bonds and insurance percentages were calculated for all the firms based upon the FGM construction estimate of \$27.9 million. This may slightly exaggerate the total fee but allows a fairer comparison amongst each firm. Utilizing this approach, the fees for the five firms selected for final analysis ranged from \$1.6 million to \$2.7 million.

In early to mid-April, the committee interviewed four firms. At the conclusion of the interviews, the committee narrowed the selection process down to three firms. Specific detailed questions were distributed to the three firms in advance of the second interviews.

In early May, the committee interviewed Leopardo, Mortenson, and Riley. The preferred construction management firm selected by the Police Station Committee is Riley Construction. The committee considered the factors listed below when deciding which construction management firm to be selected for interview and recommended for the project.

- o Approach to project in general
- o Approach to tasks outlined in the Scope of Work
- o Adherence to the Intent of the Request for Proposal
- o Responsiveness and comprehensiveness of submission to RFP
- o Design of proposed work program
- o Cost of Construction Manager’s services
- o Firm qualifications and reputation in general
- o Qualifications of Staff
- o Prior experience on similar types of projects
- o Related experience of the project manager and team members
- o Project scheduling
- o Information gained from references
- o Prior experience dealing with multiple public agencies
- o Objectivity of Proposal
- o Demonstrated capacity to perform the work

Fees

Fee proposals from the 10 firms initially submitting to the Request for Proposals ranged from almost \$1.3 million to almost \$3 million; and the construction time period to build the building ranged from 12 months to 22 months. Fees of three finalists ranged from \$1.7 million to \$2 million. Actual payment of the fee to the Construction Management firm will occur over several years during the life of the project.

- Leopardo: \$ 2,006,982
- Mortenson: \$ 1,879,961
- **Riley: \$ 1,737,135**

Assumptions were made to compare the above referenced fees, based upon assuming a 16 month time period for construction and the construction management fee, bonds and insurance fees based upon a percentage of total construction value utilizing the FGM construction cost estimate of \$27.9 million. The Riley fee reflects a negotiated reduction in their CM fee after selection. Actual fees may be modified at the time of issuance of a GMP (guaranteed maximum price) based upon total project cost and final construction schedule.

Budget

In January the Village Board approved a \$35 million bond for the Police Station project. A September 2015 feasibility study estimated the “construction only” cost of the Police Station at \$27,984,735. Construction Management fees are part on the construction cost, and will be funded from Project Account BL-16-10, Account Number: 431-9013-571.50-52.

Recommended Construction Management Firm

The Police Station Committee recommends the selection of Riley Construction. Riley construction was founded in 1965 and is a regional construction firm with over 200 employees and three offices located throughout Chicago and Milwaukee. Riley Construction services typically include preconstruction, construction management, general contracting, and design build for new expansion, renovation or restoration projects. The company has an annual construction management volume of over \$165 million. Riley Construction has significant experience in managing and constructing law enforcement facilities; including Skokie Police Department Headquarters, Glenview Police Department, Lake Zurich Police Building, Antioch Police Department, Lake County Jail, Milwaukee Court House of Corrections, Kenosha County Public Safety Building, Franklin Park Police Station, as well as other Police Departments and Correctional facilities construction projects. In addition, Riley Construction has significant Municipal and Public Works experience. Specific projects of comparable size include Skokie Police Department, 79,000 sq. ft. building; Glenview Police Department, 86,000 sq. ft. building; Lake Zurich Police Building, 30,000 sq. ft. and Kenosha County Public Safety building addition 57,000 square feet. After the second interview, detailed reference checks were conducted on Riley Construction Management.

Conclusion

The Police Station Committee was impressed with the submittals from all of the Construction Management firms, and especially those that were interviewed. The Committee recommends the selection of Riley Construction as the team to move the Arlington Heights Police Station project forward.

Recommendation

It is recommended that the Village Board approve entering into a contract with Riley Construction and authorize the Village Manager to execute into a contract to be funded from Project Account BL-16-10, Account Number: 431-9013-571.50-52.