

STAFF REPORT

Date: April 24, 2024

To: Mayor and City Council

Through: Doug Thornley, City Manager

Subject: Staff Report (For Possible Action): Approval of the recommendation by the interview panel to select CORE West, Inc. (dba CORE Construction) for the Construction Manager-At-Risk (CMAR) for the Reno Fire Department (RFD) Central Station project and approval of the Owner-CMAR Pre-Construction Services Agreement with CORE Construction in the amount of \$211,896. (General Capital Project Fund)

From: Justin George, Senior Civil Engineer

Department: Public Works

Summary:

Staff advertised a Request for Proposal (RFP) in the newspaper and four contractors submitted proposals to be the Construction Manager-At-Risk (CMAR) for the Reno Fire Department (RFD) Central Station project (Central Station). Following Nevada Revised Statutes (NRS) Chapter 338 provisions, a panel of five staff reviewed the proposals, conducted interviews, and provided final rankings for the four contractors. The panel determined that CORE West, Inc. (dba CORE Construction) was the highest-ranking applicant. NRS provides that the City may now enter into a contract for pre-construction services with the highest-ranking applicant. Under this pre-construction services agreement, CORE Construction will perform, manage, and supervise the pre-construction services for the Central Station project located at 455 East Second Street.

The services provided by the CMAR during pre-construction include but are not limited to, coordination with the Owner, Architect, and Site Civil Engineer; establishing early project construction cost estimates; design assistance and constructability review; risk management; scheduling; and developing construction systems or methods for cost reduction or value engineering.

Approving a pre-construction services agreement does not guarantee that the contractor will be awarded a construction contract.

Council approved funding from general obligation bonds to finance preliminary work on the Central Station. The preliminary work includes consultant agreements for the schematic design and CMAR pre-construction services for the Central Station. It is recommended that Council approve the selection of CORE Construction for the CMAR on the Central Station project and approve the Owner-CMAR Pre-Construction Services Agreement with CORE Construction in the amount of \$211,896.

Alignment with Strategic Plan:

Economic and Community Development

Infrastructure, Climate Change, and Environmental Sustainability

Public Safety

Fiscal Sustainability

Previous Council Action:

January 17, 2024: Council adopted a Resolution appointing the City Manager as the authorized representative of Council to conduct the required CMAR selection process.

October 11, 2023: Council authorized staff to pursue the CMAR project delivery method.

March 8, 2023: Council approved consultant agreements with TSK Architects for architectural schematic design and with DOWL for site civil engineering schematic design and demolition administration.

March 23, 2022: Council adopted Bond Resolution of Intent and Sale Resolution for tax-exempt general obligations to construct the Public Safety Center and Moana Springs Community Aquatics and Fitness Center, and to design the RFD Central Station.

February 23, 2022: Council adopted a Bond Resolution to begin the process to issue tax-exempt general obligations to construct the Public Safety Center and Moana Springs Community Aquatics and Fitness Center, and to design the RFD Central Station.

December 8, 2021: Council adopted a Bond Resolution to begin the process to issue tax-exempt general obligations to construct the Public Safety Center and Moana Springs Community Aquatics and Fitness Center, and to design the RFD Central Station.

Background:

The original RFD Station #1 was built in 1975 at 200 Evans Avenue. This location was demolished in 2008 to accommodate the Aces Ballpark Stadium. Reno Fire Station #1 operations were relocated to temporary modular buildings at 495 East Fourth Street (Station 1) and 2501 Mill Street (Station 21), and fire department administration services to the fourth floor of City

Hall. In 2021, Reno Fire Station #1 was ranked the fifth busiest station in the United States, responding to over 6,704 calls.

To meet the growing demands of the community, Council has prioritized a new downtown police station and fire department headquarters facilities in the Capital Improvement Plan (CIP). The new downtown police station is currently under construction at 911 Kuenzli Street and will be complete summer/fall of 2024. The site for the new headquarters for RFD is at the current location of the Reno Police Station at 455 East Second Street. The building at this location is in poor condition and is at the end of its useful life.

The proposed new facility for the fire department at 455 East Second Street will replace the temporary structure at 495 East Fourth Street while providing the additional capacity for expansion needed for the department and relocation of RFD administration services from City Hall's fourth floor to the Central Station.

Council authorized staff to pursue the CMAR project delivery method for the RFD Central Station project during the October 11, 2023, Council meeting.

Council adopted a Resolution at the January 17, 2024, meeting appointing the City Manager as the authorized representative of Council to conduct the required tasks per NRS 338.1693 for the selection of a CMAR to provide pre-construction services on the Central Station project.

Discussion:

The CMAR RFP for this project was advertised on December 19, 2023. Four proposals were received and opened on February 8, 2024. A panel evaluated and ranked each proposal based on several established criteria including contractor key personnel assigned to this project, experience in projects of similar size and scope, project-specific information, past performance, completeness of proposal, and submission of a Certificate of Eligibility for Preferential Bidder's Status, and a Preferential Bidder Status Affidavit.

Per the Resolution Council adopted at the January 17, 2024, meeting, a panel of five members was selected by the City Manager to review the proposals and conduct interviews.

Avenue Consulting assisted the City in the CMAR selection process and aided in reviewing the RFP prior to advertisement, preparing review criteria, collecting and consolidating review comments, and assisting in the consensus sessions to establish ranking order.

Each panel member reviewed and evaluated each of the proposals independently. The independent review comments and scores were then compiled by the consultant. All panel members met with the consultant for review and consensus ranking. All four proposals met the

RFP criteria, and the four contractors were shortlisted for interviews. The notice and invitation to interview were sent to each of the shortlisted contractors on February 29, 2024.

All four contractors were interviewed with a presentation followed by a question-and-answer session with the evaluation panel on March 28, 2024. Individual panel member scoring was conducted during the interviews, using separate scoring criteria per NRS. Immediately following the interviews, the panel convened with the consultant for consensus ranking. The panel ranked the finalists as follows:

1. CORE Construction
2. Plenum Builders
3. Clark/Sullivan Construction
4. Martin Harris Construction

Per NRS, the rankings of the applicants, the final scores, and the final scores for each factor that the public body specified in the RFP, are to be made public. As such, these items are being disclosed (see Attachment A).

On a national scale, CORE Construction has completed over 250 fire station projects, and in 2017 CORE developed a program focused on improving the physical and mental health of first responders for projects. CORE's initiative called Clean Public Safety Building is a company standard nationwide. The focus is intentional design and construction best practices with the goal of helping mitigate public safety occupational hazards and health risks.

CORE Construction also has experience building 11 fire station projects in the state and one station in the Reno area for Truckee Meadows Fire Protection District (TMFPD). In addition, CORE Construction has completed over 150 CMAR projects locally and throughout the state including the Moana Springs Community Aquatics and Fitness Center project which is scheduled for completion in August 2024.

In addition to approving the selection of CORE Construction for CMAR on this project, staff is also seeking approval of the Owner-CMAR Pre-Construction Services agreement with CORE Construction for the flat fee of \$211,896 (see Attachment B).

Core Construction will work directly with the site civil engineering firm (DOWL) and the architectural firm (TSK) previously selected by the City during the preconstruction phase for the development of the final design and construction costs for the new fire facility at 455 East Second Street. The pre-construction services generally include but are not limited to the following (a full list is included in Attachment B):

- Participate in the scheduled design process review meetings with site civil, architect, and owner representatives and provide ongoing input with respect to constructability, construction cost and duration, sequence of construction, and construction means and methods.
- Conduct investigations, with participation by appropriate subcontractors of all existing site conditions.
- Develop questions and review comments, suggestions, and cost estimates at each of the stipulated phases of design.
- Development of constructability and value engineering suggestions.
- Advertise and prepare contracts for 11 subcontractor proposals including distribution of documents, coordination of pre-bid conferences, bid openings, and determination of best bid in each category.
- Provide final recommendation of all subcontractors based on what is deemed to be the best value for the City.
- Develop a Guaranteed Maximum Price (GMP) from all necessary subcontractors.
- Qualify subcontractors and coordinate involvement.

Once pre-construction services are complete, CORE Construction will also be required to manage subcontractor procurement in accordance with all applicable laws and policies in the development of a GMP construction contract. The GMP will be a separate item that will be presented to Council for approval at a later date.

Per NRS, at the conclusion of the pre-construction services, the CMAR will propose a GMP for the construction of all improvements. The City has the option to move forward and contract with the CMAR for construction based on the GMP provided, or to further negotiate a price with the CMAR. In the event the City and the CMAR cannot come to an agreement on GMP, for the City to proceed, it would need to bid the project via a request for bid proposal with the award of the contract going to the low bidder, as is typically done at the City. This would extend the construction timeline of the facility.

Approving the Pre-Construction Agreement does not guarantee that the contractor will be awarded a construction contract.

Financial Implications:

March 23, 2022: Council adopted a bond resolution including \$2,000,000 allocated to the RFD Central Station project preliminary work. The \$211,896 fee for the Pre-Construction Services Agreement will come from the general obligation bond allocation and the budget is available in the General Capital Projects Fund.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law. This CMAR RFP was conducted within the requirements of NRS 338.169-338.16935. The preconstruction services agreement is the first step in the process for the CMAR construction process. The agreement provides that this agreement "in no manner obligates the Owner to enter into a construction contract with the CMAR."

Recommendation:

Staff recommends Council approve the selection of CORE West, Inc. (dba CORE Construction) for the Construction Manager-At-Risk (CMAR) on the Reno Fire Department (RFD) Central Station project and approve the Owner-CMAR Pre-Construction Services Agreement with CORE Construction in the amount of \$211,896, and authorize the Mayor to sign.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Attachment A: Panel Results and Rankings

Attachment B: Owner-CMAR Pre-Construction Services Agreement