



CITY OF GRAND RAPIDS AGENDA ACTION REQUEST

DATE: March 5, 2024

TO: Mark Washington, City Manager

COMMITTEE: Community Development Committee

LIAISON: Mary Kate Berens, Deputy City Manager

FROM: Tim Burkman, City Engineer
Engineering

SUBJECT: **Resolution approving an increase to the Professional Services Agreement with Clark Construction Company for Construction of City Facilities at 1500 Scribner in the amount of \$3,618,075 with total amount not-to-exceed \$31,853,687**

This project consists of the relocation of municipal operations and property located at 201 Market Avenue which houses Public Works, Parks & Recreation, Forestry, Fleet and Facilities Management to a site located at 1500 Scribner Avenue NW (former location of the Kent County Road Commission). Relocation of these City operations will provide an updated and modernized home for City fleet vehicles and related critical operations that support the City's streets, utilities and parks functions, relocating from a facility close to a prime and redeveloping part of the Grand River in downtown. This relocation will continue to support the vision for downtown built on and around the river, with restored rapids, a series of parks connected by the Grand River greenway trail and will clear the way for development of an anticipated 12,000-person capacity Amphitheater by the Grand Rapids-Kent County Convention/Arena Authority (CAA) at 201 Market Avenue. Momentum is building around both projects, and time is of the essence for this work, which is driving the phased approach to bidding the project, allowing for procurement of long lead-time items.

A Qualification Based Selection process was used to solicit respondents and final procurement of a Construction Manager for the project. The evaluation team selected Clark Construction Company, Inc. (Clark) as the highest qualified firm and on April 25, 2023 (Proceeding No. 92516) the City Commission approved a Professional Services Agreement for pre-construction services for Clark. On December 12, 2023 (Proceeding No. 93140) the City Commission approved a Professional Services Agreement for construction management services as well as expenditures related to the first bid package which consisted of demolition, pre-engineered metal buildings, and pre-cast concrete. The second bid package was approved on February 6, 2024 (Proceeding No. 93260) and included earthwork, vapor mitigation and ground improvements.

The third bid package was bid on February 6, 2024, and included the electrical equipment and a revised bid for the fueling category. On February 20, 2024, Clark submitted a proposal for \$3,618,075 for this package. At this time, it is necessary to approve an amendment to the Professional Services Agreement for Construction Management services with Clark to authorize additional expenditures in connection with the third bid package. After the subsequent bid packages are received, staff will return to the City Commission to approve and authorize additional expenditures.

The estimated total project cost, including land acquisition, is anticipated to be \$92 million and a budget and financing plan will be part of the FY 2025 budget discussion.

The attached resolution provides for approval of an amendment to the Professional Services Agreement for Construction Management services with Clark construction and authorization of additional expenditures in the amount of \$3,893,950 with total expenditures not to exceed \$31,853,687. This amount includes the costs of the professional services agreement, administration, an approximate five percent allowance for contingencies, and previously authorized services. Bergmann will provide the construction phase services including inspection pursuant to their existing term agreement with the City.

This project is currently being financed by the Capital Improvement Fund and it is anticipated that there will be issuance of future bonds for this project. In addition, this project has been determined eligible for American Rescue Plan Act (ARPA) dollars. Budget requests are necessary to finance portions of this project and will be presented to the Fiscal Committee for consideration and approval at future dates.

cc: James Hurt
Alvin Hills
Tricia Chapman
Molly Clarin

#17045

Prepared by Kristin Pfauth, Project Manager

Your COMMUNITY DEVELOPMENT COMMITTEE recommends the adoption of the following resolution approving an increase to the Professional Services Agreement for Construction Management Services with Clark Construction Company and authorizing additional expenditures in connection with Construction of City Facilities at 1500 Scribner Avenue NW.

WHEREAS, a proposal was received on February 20, 2023 for the following project:

Construction of City Facilities at 1500 Scribner Avenue NW (hereinafter referred to as the "Project")

and Clark Construction Company, Inc. (Clark) submitted a cost of \$3,618,075; therefore

RESOLVED:

1. That the proposal of Clark be accepted and that, upon approval as to form by the City Attorney, the Mayor and City Clerk be authorized to execute the amendment to the professional services agreement for the Project on behalf of the City.
2. That total expenditures for the Project be increased in the amount of \$3,893,950 for a total not to exceed amount of \$31,853,687 which includes the costs of the amendment to the professional services agreement, administration, an approximate five percent allowance for contingencies, and previously authorized services. Said amount of \$31,853,687 to be charged to the applicable codes currently defined as: 4010-447-9000-9880-401020071.
3. That the City Comptroller is hereby authorized and directed to make payment, in amounts and to said payees, as the City Engineer or his designee requests in connection with the Project.
4. That the City of Grand Rapids, pursuant to Section 1.150-2 of the Treasury Regulations promulgated pursuant to the Internal Revenue Code of 1986, as amended, declares its intent to reimburse itself the costs of the Project and other related costs in an amount not to exceed \$31,853,687 (Capital Improvement Fund) through the issuance of tax-exempt bonds.
5. That a copy of this resolution be available for inspection at the City Clerk's Office, 2nd Floor, City Hall, 300 Monroe Avenue N.W., Grand Rapids, Michigan 49503.

CORRECT IN FORM

DEPARTMENT OF LAW