



INFORMATION MEMORANDUM

TO: Mayor and City Council

FROM: Kevin Muenchow, Fleet and Facilities Director

DATE: February 19, 2019

SUBJECT: Construction Manager for Service Center Project

Back Ground

The Service Center Project (“Project”) is a multiphase project to eventually construct a new Service Center at the Keenan Bridge site and the existing Service Center site. In FY2017-18 Council approved Quorum Architects to design phase one of the project for \$740,000, which will be completed in February 2019. During the design, Gallagher Construction was also retained for \$7,500 to be part of the design process to provide project estimates and advisor services.

The original plan for phase one of the Project was to design a Fleet Shop with meeting space for the Parks department at the Keenan Bridge site and a new building, fuel site and wash bay at the current Service Center site. Over five years ago, the cost estimate for this was \$10 million, but since then, construction cost has increase significantly. In August 2018 during the design, Gallagher provided a preliminary estimate for over \$17 million for phase one. With the new cost information City Administration had to develop a new multiphase plan to stay within the available budget dollars as a “pay as you go” project from the Utilities Non-Bond CIP fund.

City Administration determined there will be \$7 million dollars available to start construction on the revised phase one of the Project in the spring/summer of 2019. With the available funds, City Administration determined that the revised phase one will be the construction of the Fleet Shop at the Keenan Bridge site. The other phases will be completed as funding is available as a “pay as you go” project.

Recommendation

The City has contracted with Gallagher Construction Company for major building construction projects since the construction of the Branch Connection in 1998. Gallagher has performed all projects with great success in bringing project to completion on-time and under budget. City Administration has negotiated with Gallagher Construction Company to provide construction management services for phase one of the Service Center Project for an amount not to exceed \$480,000. City Administration recommends approving Resolution 2019-13 authorizing the City Manager to execute a contract with Gallagher Construction Company for construction management services for phase one of the Service Project.