



City Council Report

Date: July 8, 2020
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: The Studios @ Mesa City Center
City Project No. CP0880
District 4

Purpose and Recommendation

The purpose of this report is to provide information to the Council concerning the selection of a Construction Manager at Risk (CMAR) for the proposed The Studios @ Mesa City Center project (Refer to Exhibit "A" for the project location).

Staff recommends that Council approve the selection of Okland Construction as the CMAR for this project and award a Pre-Construction Services contract in the amount of \$98,322.

Background

In February 2018, Council approved an Intergovernmental Agreement (IGA) with Arizona State University (ASU) for a new academic building in downtown Mesa (ASU Creative Futures Laboratory). This agreement also included provisions for ASU to assist with the programming of the vacant City-owned building located at 59 E 1st Street. In November 2018, the City and ASU subsequently entered into a lease agreement for the new academic building and the vacant City building. Phase 1 of the lease agreement requires the renovation of 6,000 – 12,000 square-foot of the existing 26,500 sf building which will be called The Studios @ Mesa City Center.

Located in the heart of Downtown Mesa's Innovation District and managed/programmed by ASU, The Studios @ Mesa City Center will align world-class industry leaders, budding entrepreneurs, and cutting edge academic insight to create a one of a kind ecosystem empowering a modern workforce development and startup pipeline to fuel the economy of today and tomorrow.

The facility will also have a close functional relationship with the adjacent ASU Creative Futures Laboratory. The renovated building will have a complimentary aesthetic to the new ASU facility and will be designed to integrate into the overall Mesa City Center development.

Discussion

In March 2020, Staff received eleven “Statements of Qualifications” (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of these SOQ’s and subsequent interviews, Okland Construction was recommended as the most qualified CMAR. Staff has prepared a contract and negotiated the fee for the Pre-Construction Services contract. During the Pre-Construction Phase, the CMAR will work closely with the project team to develop the project design, review the design for constructability, prepare cost estimates, and develop the project schedule and phasing plan.

The last item developed during the Pre-Construction Phase will be the “Guaranteed Maximum Price” (GMP) for the project. This GMP will then be brought back to the Council for review and approval.

Once underway, construction of this project is anticipated to last approximately 8 months.

Alternatives

An alternative to the approval of this Pre-Construction Services contract for the selected CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the need for the additional services provided by a CMAR contractor during the design phase. The proposed The Studios @ Mesa City Center project will require extensive on-site investigation, phasing, construction sequencing, constructability analysis, and cost evaluation by the contractor throughout the design phase.

Another alternative is to not perform the work. This is not recommended because this would be contrary to the IGA and associated lease between the City and ASU.

Fiscal Impact

This pre-construction services contract is in the amount of \$98,322.

This project is funded by Economic Investment Fund.

Coordinated With

The City Manager’s Offices concur with this recommendation.