



City Council Report

Date: January 24, 2022
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: The Post
City Project No. CP0213
District 4

Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) for the Historic Post Office, a Construction Manager at Risk (CMAR) project. (See Exhibit “A” for project location.)

Staff recommends that Council award a contract for this project to ForeSite Design and Construction, Inc. (ForeSite) in the amount of \$8,149,000 (GMP), and authorize a change order allowance in the amount of \$345,518 (4.24%).

Background

The Post, formerly known as the Federal Building, is located at 26 North Macdonald. This building was conveyed to the City of Mesa by the Federal Government for public use in 2002. The building has remained vacant except for the basement, which contains storage for the Arizona Museum of Natural History. In 2013, portions of the building interior were demolished in preparation for future improvements. The purpose of this item is to award a construction contract to complete these improvements.

Discussion

The proposed improvements will focus on the reconstruction of all three floors of the existing building. The building will continue to house storage in the basement. The first floor will be renovated as a large open space with flexibility to host a variety of programs and events. The second floor is planned to be office space. The exterior work will include landscaping upgrades and improvements to access the building. The southwest corner of the building will be expanded to house a new elevator, stairwell, and separate access point to the second floor. New signage will be installed on the building.

In February 2020, Staff received ten (10) “Statements of Qualifications” (SOQ) from

contractors proposing to act as the CMAR for this project. Based on an evaluation of the SOQ's and subsequent interviews, ForeSite was recommended as the most qualified CMAR and was awarded a Pre-Construction Services contract. ForeSite has performed pre-construction services during the design development including reviewing the design for constructability, preparing cost estimates, and developing the project schedule and phasing.

Community Impact – The renovation of The Post will add programming space and office space to the downtown area, allowing for a variety of uses for the public and the City.

Once underway, construction of this project is anticipated to last no more than 12 months.

Alternatives

An alternative to the approval of a contract for this CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the complexity of the project. The majority of all work in this project has been competitively bid by ForeSite to multiple subcontractors, and staff will ensure that Mesa-based businesses, including affiliated businesses, are given an opportunity to bid on the work.

Another alternative is not to perform the work. This is not recommended because the City committed to providing public use of this building when the City accepted the building from the Federal Government in 2002.

Fiscal Impact

The total authorized amount recommended for this project is \$8,494,518, based upon a GMP of \$8,149,000, plus an additional \$345,518 (4.24%) as a change order allowance. This allowance will only be utilized for approved change orders.

This project is funded by the 2012 General Obligation Bond and the 2018 General Obligation Bond and Capital General Fund.