



# City Council Report

**Date:** November 16, 2020  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Mesa City Center – Fourth Guaranteed Maximum Price (GMP No. 4) –  
The Plaza @ Mesa City Center **(District 4)**

## Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) No. 4 for the proposed Mesa City Center projects. GMP No. 4 is the sole GMP for the Plaza @ Mesa City Center project, a Construction Manager at Risk (CMAR) project. (See Exhibit “A” for project location.)

GMP No. 4 includes all scope of work to construct the proposed Plaza @ Mesa City Center site.

Staff recommends awarding a contract for this project to the selected Construction Manager at Risk, DPR Construction, in the amount of \$6,369,482.00 (GMP) and authorizing a change order allowance in the amount of \$318,474.00, for a total amount of \$6,687,956.

## Background

The Council approved an Intergovernmental Agreement (IGA) with Arizona State University (ASU) for a new building project in February 2018. The City and ASU subsequently entered into a lease agreement for the building in November 2018. Both the IGA and Lease require the City to develop a public open space of approximately 2 acres in conjunction with the ASU building.

The proposed Plaza @ Mesa City Center (Plaza) will create a significant public civic space for Mesa residents and visitors, as well as support the ASU building and programs. The proposed Plaza includes an interactive public water feature, a large shade canopy over an area planned for hosting the Merry Main Street ice rink and other events, a lawn for passive recreation and viewing the exterior high-resolution screen on the adjacent ASU building, and a public restroom facility. Funding for the Plaza was included in the 2018 General Obligation Bond program as approved by voters.

## Discussion

In September 2018, 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, DPR Construction was recommended as the most qualified CMAR, and subsequently awarded a Pre-Construction Services contract. During the Pre-Construction Phase, the CMAR worked closely with the project team to develop the project design, review the design for constructability, prepare cost estimates, and develop the project schedule. The last item developed during the Pre-Construction Phase is the "Guaranteed Maximum Price" (GMP) for the project.

This GMP for the Plaza @ Mesa City Center is the fourth of a series of GMP's relating to City Center projects. The scope of work includes all construction necessary to complete the Plaza @ Mesa City Center.

The primary elements of the Plaza envisioned with the \$7.67M in 2018 voter approved General Obligation Bonds included an interactive water feature, ice skating rink, restroom building, and programable recreation space. In addition, to the primary elements, the Plaza has been designed to incorporate a significant amount of vegetative shade, as well as a signature shade structure. Shade within the Plaza has consistently been identified by stakeholders as the most important element to ensure year-round use of the Plaza.

The signature shade structure is proposed over the large, open concrete area that is necessary to accommodate the ice-skating rink. In addition to providing a signature feature that will draw residents and visitors into the Plaza for passive recreation, the signature shade structure will allow year-round recreation and event programming. To provide the signature shade structure as designed, staff recommends a \$481,000 increase to the Plaza budget, through this GMP 4. As proposed, the total Plaza funding would be \$8.54M, of which \$481,000 would be funded by the Capital General Fund.

The table below illustrates the anticipated timeline of GMP's for Council review.

<b>Project</b>	<b>Scope of Work</b>	<b>Anticipated Date</b>
City Center Utility Improvements – GMP 1	Utility work	Approved November 4, 2019
ASU Building – GMP 2	Building site demo, prep, foundations and structure	Approved December 9, 2019
ASU Building – GMP 3	All remaining building construction	Approved March 16, 2020
The Plaza – GMP 4 (This GMP)	All new Plaza construction	November 16, 2020

Once underway, construction of the Plaza @ Mesa City Center is anticipated to last no more than 11 months with a Fall 2021 completion.

## **Alternatives**

An alternative to the approval of this GMP contract for this CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the size and complexity of the project and because a majority of the work in this project

will be competitively bid by DPR Construction to multiple subcontractors.

A second alternative is to deny approval of the recommended additional funding which would require the scope to fit within existing funding. This is not recommended as a redesign would be required and one of the signature elements (water feature, shade canopy, or restrooms) would have to be significantly modified or deleted entirely.

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**

The total authorized amount recommended for this contract is \$6,687,956, based upon a GMP of \$6,369,482, plus an additional \$318,474 (5%) as a change order allowance. This contingency allowance will only be utilized for approved change orders.

This project is funded by the City via the 2018 General Obligation Bonds and the Capital General Fund.

### **Coordinated With**

The City Manager's Office and the Parks, Recreation and Community Facilities Department concur with this recommendation.