

**Item Title:** Approval of Construction Contract GMP #4 with Construction Manager at Risk for the Public Health Center Project

**Specific Action Requested:**  
That the Board of Commissioners:

- 1. Appropriates \$67 million in Limited Obligation Bonds in the County Buildings Element of the County Capital Improvements Fund, and**
- 2. Approves Guaranteed Maximum Price (GMP) #4 Contract in the amount of \$15,760,486 with the previously selected Construction Manager at Risk, Skanska USA Building, Inc. of Durham, NC for the new Public Health Center project at the Swinburne Campus in Raleigh, NC, and**
- 3. Authorizes the County Manager to execute this construction contract with Skanska USA Building, Inc.; said contract documents to be reviewed and approved by the County Attorney.**

**Item Summary:**

**Purpose:** State statute requires the Board of Commissioners to approve all publicly bid construction contracts of more than \$500,000.

**Background:** On March 21, 2022, the Board of Commissioners approved the schematic design of the New Public Health Center and Parking Deck, following a presentation at the March 14, 2022 Work Session. The Board also received a project update at its February 20, 2023 Work Session.

The Construction Manager at Risk (CMAR) delivery method is being used for construction of the project. Under this delivery method, previously approved by the Board in accordance with NC Statutes, multiple bid packages are procured in a sequence that facilitates efficient phasing of the project. This is the fourth of five planned bid packages for the project.

**Board Goal(s):** This action supports Community Health and Vitality Goal 1: Improve public health and well-being by supporting and promoting healthy behaviors and lifestyles; and Community Health and Vitality Goal 2: Improve access to affordable, high-quality medical and behavioral health care.

**Fiscal Impact:** This action appropriates \$67 million in limited obligation bonds in the County Building Improvements Element of the County Capital Improvements Fund. No additional appropriation is needed.

### **Additional Information:**

The proposed new Public Health Center will be located on county-owned property located along Swinburne Street and bordered by Falstaff and Kidd Roads. The site currently houses the 5-story Swinburne Human Services Center. The project will consist of a new 4-story, 154,000 SF Public Health Center building, and associated 5-level parking deck creating a Health & Human Services Campus. The long-term goals for the facility and campus are to incorporate the Health & Human Services Integration Model for more coordinated service delivery and a holistic approach to serving Wake County Residents.



The Construction Manager at Risk (CMAR) delivery method is being used for the construction of the project. The CMAR selected for this project is Skanska, USA Building, Inc. The contract form used in this type of delivery method is known as a Guaranteed Maximum Price Contract (GMP). This is the fourth of five planned GMP packages. GMP-3 was previously approved by the Board on March 20, 2023 for \$32,168,126.

Various bid packages were accepted by the CMAR, for the contract to be known as GMP #4, on April 27-28 and May 12, 2023. It is recommended that GMP #4 be awarded in the amount of \$15,760,486. Funding for the design and construction of this project is in the current Capital Improvement Program (CIP). In addition, savings reallocations from other completed projects are planned, as well as the aforementioned appropriation of Limited Obligation Bonds. At this time, the project is within its current budget.

This GMP contract is primarily aimed at “Core and Shell” components which consist of building concrete, masonry, structural steel, building envelope assemblies (roof and exterior walls), and elevators. In addition, early procurement allowances for drywall, doors assemblies and hardware are included, which again, is a strategy to address trades with extended order, production and delivery timelines.

The contract amount is based on the lowest responsive bids received from trade contractors, and includes reimbursement of defined direct costs and expenses, (“General Conditions”), and fees for services rendered, described as “Fixed Fees” in the CMAR’s agreement for services. Reference the attachments for breakdown of the above costs, trade contractor bid tabulations and allowances. In addition, a summary of Minority Business Enterprise participation is attached. To date, the project has achieved a participation rate of 35.2% of all subcontractor bids, which significantly exceeds the goal of 10%.

While the project has captured several extended lead time trades, a number of trades still remain to be bid that can negatively affect cost, so the project team continues to evaluate costs very closely to explore opportunities for cost savings and efficiencies. Site development and building construction costs for the main facility and associated parking deck continue to track at an approximate cost of \$116 Million. However, total costs will not be finalized for several months.

The final contract award, GMP #5, is scheduled to be brought before the Board for approval in September 2023. This GMP will primarily consist of “Interior” finishes, assemblies and other components, exterior site furnishings, landscaping and irrigation, and final building system components, including plumbing, mechanical and electrical systems. Sitework construction continues and vertical construction will begin in Fall 2023, with major construction activities proceeding through 2024 and much of 2025.

**Attachments:**

1. Construction GMP # 4 Cost Summary
2. Project GMP Schedule
3. Minority Business Enterprise Participation Summary
4. Bid Package Tabulations – Building Concrete
5. Bid Package Tabulations – Elevators
6. Bid Package Tabulations – General Trades
7. Bid Package Tabulations – Building Roofing Systems
8. Bid Package Tabulations – Spray Fireproofing
9. Bid Package Tabulations – Structural Steel
10. Bid Package Tabulations – Building Waterproofing
11. Bid Package Tabulations – Masonry
12. Bid Package Tabulations – Exterior Curtain Wall & Metal Panels
13. Total Project Cost Summary