



Request for City Council Committee Action from the Minneapolis Convention Center

Date: March 24th, 2014

To: Chair John Quincy, Ways and Means Budget Committee

Subject: Target Center Renovation Construction Manager at Risk Request for Proposal (RFP)

Recommendation: Authorize the release of the Request for Proposal for Construction Manager at Risk (CMaR) services and adopt the attached resolution authorizing the use of a Project Labor Agreement (PLA) with the Minneapolis Building and Construction Trades Council for the Target Center Renovation project.

Previous Directives: The City Council approved the Target Center Renovation Term Sheet on November 12th, 2013. On December 13th, 2013 the City Council approved adding Council President Barbara Johnson, Council Member Lisa Goodman, and the Mayor's Office to the review team for the selection of the Architect for the project. On March 7th, 2014 the City Council approved the release of the Architecture and Engineering Design RFP for this project.

Department Information

Prepared by: Jeff Johnson, Executive Director Convention Center Approved by: Paul Aasen, City Coordinator Presenters in Committee: Jeff Johnson

Reviews

- Permanent Review Committee (PRC): Approval X Date 3-6-14

Financial Impact

- Action will be part of a larger Target Center Renovation budget.

Community Impact

- Neighborhood Notification
- City Goals
- Comprehensive Plan
- Zoning Code

Supporting Information

The City of Minneapolis has negotiated a term sheet with the Minnesota Timberwolves and AEG Facilities regarding the renovation of the City owned Target Center sports and entertainment arena. The City Council approved the term sheet for this renovation on November 12th, 2013. In preparation for the renovation project, we would like to proceed

with the release of a Request for Proposal for Construction Manager at Risk services for the Target Center Renovation project.

The project is being managed through a Design Group consisting of six (6) members. Three (3) members represent the Minnesota Timberwolves/Lynx basketball teams. Three members represent the City of Minneapolis. One of the major tasks of the Design Group is to recommend the major consultants in this project to the City Council. The Design Group, appointed Council Members, and staff from the Mayor's office will evaluate the proposals received. Staff will then return to the Council with the Design Group's recommended firm for Construction Manager at Risk services for the Target Center Renovation.

The Construction Manager at Risk firm will be a key member of the design team for the proposed \$97 million renovation of the Target Center. The City received the authority to use the Construction Manager at Risk form of project delivery system in special legislation last year. The model allows the City to procure a construction manager early in the design process rather than waiting for completion of full plans and specifications before bidding out the construction contract. The construction manager provides cost estimating and design input in the preconstruction phase and a "guaranteed maximum price" (GMP) based on the determined minimum design standards prior to construction commencement. The construction manager is then at risk to manage the project within a budget and design standards. The model is intended to provide faster project delivery and better value engineering opportunities. This project will be the first time the City uses the Construction Manager at Risk model.

The Construction Manager at Risk will also be subject to an Equity Plan that places participation goals on the project to promote the use of women and minority-owned businesses that are MNUCP certified. The November 12th, 2013 Council Action approving the Target Center Renovation Term Sheet directed staff to place equity and inclusion provisions into professional services contracts relating to the Target Center Renovation.

The attached resolution will authorize the use of a PLA for the Target Center Renovation Project. A PLA is a multi-employer, multi-trade, pre-hire collective bargaining agreement covering terms and conditions of employment for construction employees on a project. Many large projects adopt PLA's due to their ability to help ensure that the highly skilled labor needed for the project is available. The CMaR RFP will require that the respondents agree to comply with the PLA with the Minneapolis Building and Construction Trades Council.

The value of the Construction Manager at Risk contract is expected to not exceed 5% of the total cost of the project.