



Date of Memo: January 11, 2023
Current Meeting: January 19, 2023
Board Meeting: January 26, 2023

BOARD MEMORANDUM

TO: Indianapolis Public Transportation Corporation (IPTC) Board of Directors
THROUGH: President/CEO Inez P. Evans
FROM: Chief Development Officer Jennifer Pyrz
SUBJECT: Consideration and approval of Resolution 2023-01 selecting Construction Manager as Constructor (CMc) as the project delivery system for the East Campus Fleet Terminal Facility Project

ACTION ITEM A – 6

RECOMMENDATION:

It is requested that the Board approve a resolution in support of utilizing the CMc project delivery system for construction of the East Campus Operations Center and Fleet Terminal Project.

BACKGROUND:

As a local government public agency under Title 36 of the Indiana Code and pursuant to the provisions of Indiana Code, §5-32, IPTC may design and construct the East Campus Operations Center and Fleet Terminal Project at 9503 E. 33rd Street, Indianapolis, IN Project (“Project”) utilizing any of the available project delivery systems for public projects, including design-bid-build, construction manager as advisor (CMA), construction manager as constructor (CMc) or design-build. To date, IPTC has used the design-bid-build delivery system for its projects and has used CMA to assist in development of the BRT lines and the Carson Transit Center.

A CMc acts as a consultant to owners in the development and design phases, but also assumes the risk for construction performance as the equivalent of a general contractor, holding all trade subcontracts during the construction phase. CMc is also known as Construction Manager At-Risk (CMAR).

DISCUSSION:

IPTC desires to use the CMc delivery system for the East Campus Operations Center and Fleet Terminal Project to reduce risk to the agency and improve project outcomes. This delivery method is similar to CMA in that it will allow IPTC to engage a construction professional early in the project to provide advice related to design, cost, schedule, and constructability. However, unlike CMA, the CMc additionally acts as general contractor through construction and holds all (sub)contractor contracts. This method shifts risk of schedule and cost changes from Owner to CMc by providing the CMc with greater control over how the project is constructed.

Through conversations with the marketplace, IPTC believes that using CMc will potentially increase the pool of bidders interested in this project and that this increased competition will result in potential lower overall costs to the agency. Additionally, it is expected that this should reap benefits, including reduced schedule and cost risk, as the CMc takes on responsibility for things such as long lead item delivery, overall constructability, monitoring and control of change orders, and subcontractor participation, among other things.

The selected CMc will provide pre-construction services in cooperation with IPTC staff, including but not limited to conducting design reviews, preparing a cost-loaded project schedule and cost estimates, conducting constructability reviews and value analysis, reviewing specifications and conducting quality control.

Pursuant to statute, the CMc will be selected through a competitive procurement process in the form of a Request for Proposals (RFP). Cost will be a factor in the selection, as responding teams will be required to provide a pricing proposal in addition to written documentation of their qualifications, experience, performance history, work plan, and other technical qualifications. If approved to proceed, IPTC will issue this RFP for CMc services in the first quarter of 2023.

IPTC would first enter into a contract for preconstruction services with the selected CMc. IPTC would then have the option of using the same team for construction services if IPTC and the CMc are able to agree upon a guaranteed maximum price (GMP) for construction of the project. This delivery method provides greater transparency in project costs and allows for the opportunity of shared cost savings. If used for construction, the CMc will be responsible for leading all construction work and publicly conducting subcontractor bidding in accordance with IPTC, state and Federal requirements. They will also be responsible for implementing a safety program, meeting supplier diversity/DBE requirements, procuring permits, and managing the work so that it is completed on time and within budget, among other responsibilities.

Both the selection of the CMc (with preconstruction phase fees) and the negotiated GMP for construction of the project would be brought before the Board of Directors for review and approval.

ALTERNATIVES:

The Board could choose not to accept this resolution and direct IPTC staff to use the design-bid-build project delivery system.

FISCAL IMPACT:

Not applicable.

DBE/XBE DECLARATION:

Not applicable.

STANDING COMMITTEE DISCUSSION/RECOMMENDATION:

This action will be reviewed by the Service Committee on January 19, 2023.