



Agenda Memorandum

Agenda Item – {{section.number}}.A.

City Council Study Session
June 5, 2023



Strategic Priority 2: Proactive Public Safety

Enhance public safety to emphasize both prevention and enforcement, engage the community through education and outreach and provide the resources necessary to ensure safety and well-being throughout Westminster.

Subject: Information Only – Replacement Municipal Court Project Delivery Method

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Recommended City Council Action:

This report is for City Council information only and requires no action by City Council.

Summary Statement:

- On December 12, 2022, City Council gave Staff direction to move forward with the design of a replacement Municipal Court.
- On May 8, 2023, City Council authorized the City Manager to execute a contract with Artaic Group, LLC (Artaic) for owner's representative services. The owner's representative will act as an advocate for the City and ensure that the project runs smoothly, stays on budget and on schedule, and meets the City's goals and objectives.
- Artaic has presented project delivery method options to Staff, including Design-Bid-Build, Design-Build, and Construction Manager/General Contractor (CM/GC).
- Artaic recommends the CM/GC delivery method, due to the fact that the replacement Municipal Court is a large, highly individualized, and complex project. The City Manager has directed staff to proceed in constructing the project with Artaic utilizing the CM/GC method.

Background Information:

Artaic has extensive experience managing similar ground-up projects for local governments in Colorado, which provides Artaic with an in-depth understanding of the local construction industry. One of Artaic's first tasks was to provide a professional recommendation regarding the project delivery method for the replacement Municipal Court project, as this must be determined before the project can move forward to design.

The project delivery method refers to the strategy to design, build, and complete a construction project. It includes the organizational structure, contractual obligations, sequence of activities, and coordination when delivering the project. The project delivery method establishes a framework for how the owner, designer, contractor, and other parties communicate, collaborate, and determine responsibilities throughout the project.

Artaic was initially asked to provide input on the project delivery method for the replacement Municipal Court project in the request for proposals during the second phase of the owner's representative procurement process. Artaic and the other two highly qualified shortlisted consulting firms universally advised the CM/GC delivery method, due to the fact that it is a large, special purpose, and highly individualized, complex project.

On May 18, 2023, Artaic presented Staff with a comprehensive overview of the most common project delivery method options for the replacement Municipal Court project, including Design-Bid-Build, Design-Build, and CM/GC. Each of these delivery methods is summarized below and includes some of their advantages and disadvantages.

Design-Bid-Build: Under this traditional method, the owner hires an architect to design the project, puts the completed design out to bid, and typically selects the lowest qualified bidder to complete the construction. The owner will hold separate contracts with the architect and the general contractor. The majority of City projects are done under this Design-Bid-Build method. Some exceptions are noted below.

- Advantages
 - Distinct separation of design and construction responsibilities.
 - Lower construction costs may result from competitive bidding.
 - The City's most commonly used and familiar construction contract type.
- Disadvantages
 - Limited ability for collaboration between the design team and general contractor.
 - Higher potential for conflicts between the owner, architect, and general contractor.
 - The sequential process leads to a longer project duration.
 - Higher risk for the owner.

Design-Build: Under this method, the owner contracts with a single firm, which will be responsible for the design and construction of the project. The owner holds a single contract, typically with a general contractor who holds a sub-contract with an architecture firm. In Westminster, examples of projects utilizing Design-Build include the Downtown Westminster C-2 Parking Garage, 2015 Pump Station Improvements, and Westminster Station Parking Garage.

- Advantages
 - Single point of responsibility for design and construction lends itself to collaboration between the designer and contractor.
 - Streamlined communication.
 - Faster project completion.

- Lower risk for the owner.
- Disadvantages
 - Potential for loss of design intent for construction cost savings.
 - Less owner control of design decisions.
 - Less competition by key trades.

CM/GC: In this approach, the owner hires an architect for design and a CM/GC who acts as a construction manager during design and a general contractor during construction. The CM/GC will take on a level of financial risk by providing a guaranteed maximum price (GMP) for the project during the later phases of design. The owner will hold separate contracts with the architect and the general contractor. In Westminster, examples of projects utilizing CM/GC include the Swim and Fitness Center Remodel, Westminster Station Nature Park, Northridge Water Tanks Replacement, and the Sheridan Boulevard Multimodal Transportation Improvement Project.

- Advantages
 - The CM/GC's early project involvement allows for early cost estimating, constructability reviews, detailed scheduling, and review of materials/equipment for long lead times.
 - Better project outcomes may result from early collaboration between the owner, design team, and CM/GC.
 - The CM/GC's financial risk provides a level of cost certainty to the owner.
- Disadvantages
 - Risk allocation may lead to conflict between the owner and CM/GC.
 - The CM/GC's assumed financial risk may result in higher up-front costs.

Staff carefully considered each option, weighing the advantages and disadvantages of each against the goals and unique needs of the project. Staff agrees with Artaic's professional opinion that CM/GC is the best option for the replacement Municipal Court project and the City Manager has directed Staff to proceed as such. It will allow the City a high degree of control, foster a collaborative process, and will encourage a faster overall project schedule. The CM/GC delivery method will allow full control over the design and allow for ongoing cost control through the design process.

Staff will release a Request for Proposals for an architect to design the replacement Municipal Court utilizing the CM/GC project delivery method. Staff intends to return to City Council later this year with a contract for architectural services.

The City's Strategic Plan priority of Proactive Public Safety is met by pursuing the design and construction of a replacement Municipal Court, which will provide a safe and secure facility for judges, law enforcement, employees, and visitors.

Respectfully submitted,

Mark A Freitag

Mark A. Freitag
City Manager

Attachments:

GS - Attachment 1 - Artaic Group, LLC Project Team Member Experience