

- A. Resolution to Approve Guaranteed Maximum Price Agreement with Gast Construction Company for Reimagine Romkey Park Project



## City Council Communication

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August 12, 2024

**SUBJECT:**

Resolution to Approve Guaranteed Maximum Price Agreement with Gast Construction Company for Reimagine Romkey Park Project

**RECOMMENDATION:**

The Mayor and City Council are asked to consider Guaranteed Maximum Price Amendment #1 to the Agreement with Gast Construction Company, Inc. for Manager at Risk Services on the Reimagine Romkey Park – Pool Replacement and Park Renovation Project.

**BACKGROUND/KEY POINTS:**

On May 28, 2024, the City Council authorized and agreement with Gast Construction for the Construction Manager at Risk (CMAR) for the Reimagine Romkey Park – Pool Replacement and Park Renovation Project. The CMAR operates as the owner's representative to manage the construction process, providing pre-construction services in the design phase and construction services during the construction phase. The CMAR oversees all bidding, subcontractor hiring, oversight of the construction, and health and safety measures for the project. To provide the construction services, the construction manager provides a Guaranteed Maximum Price (GMP) for the project based on the construction documents and specifications provided by the Design team. The GMP is provided as an amendment to the current contract.

The Reimagine Romkey Project is scheduled to perform demolition the fall of 2024 and perform substantial construction during 2025. For efficient construction and scheduling, it is proposed to have two bid packages with two GMPs related to the CMAR Agreement. The first bid package will include demolition of the existing facilities, construction of foundation footings, and limited earthwork. The proposed resolution authorizes a Guaranteed Maximum Price Amendment #1 to the Gast Agreement with a "not to exceed" GMP for the first bid package. The first bid package is anticipated to be released in August and the second bid package when full design is complete. This resolution will authorize a maximum GMP and assist with quickly moving into construction if the GMP is consistent with the proposed estimates.

The GMP Amendment #1 to the agreement with Gast Construction Company Inc. will be reviewed by the City Attorney prior to execution by the Mayor and City Manager.

**FINANCIAL CONSIDERATIONS:**

On April 8, 2024, the City Council approved a resolution for the project budget in the amount of \$11.3 million. The project design is progressing, and cost estimates are within the project budget. The CMAR services and construction budgets costs are shown below:

Original CMAR Agreement – Pre-Construction Services fee of \$25,000. (Previously Approved)  
CMAR Agreement Amendment #1 – GMP for Bid Package #1: Amendment #1 outlines a



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maximum GMP of \$950,000 which includes costs for demolition of current facility, construction of foundation footings, and limited earthwork.

CMAR Agreement Amendment #2 – GMP for Bid Package #2: There will be a future CMAR Amendment #2 for the remainder of the construction. (Future Resolution)

**Voting Requirements:** 3/4 of Council (6)

**Submitted By:**

Dan Mahli, City Manager

Paul Fiechtner, Public Works Director

Holly Heitkamp, Parks and Recreation Director

Nichole Parr, Administrative Assistant

**Attachments:**

## RESOLUTION

### **Resolution to Approve Guaranteed Maximum Price Agreement with Gast Construction Company for Construction Manager At Risk Services for Reimagine Romkey Park Project**

WHEREAS, on April 8, 2024, the City accepted a grant awarded to Moorhead from the United States Department of Interior's Land and Water Conservation Fund - Outdoor Recreation Legacy Partnership program for the Reimagine Romkey Park - Pool Replacement and Park Renovation Project.

WHEREAS, the City of Moorhead approved a resolution for the project budget in the amount of \$11.3 million; and

WHEREAS, the City of Moorhead has hired a design firm for Architectural and Engineering services to prepare design, planning and construction cost estimation for the Reimagine Romkey Project as outlined in Resolution 2024-0408-2; and

WHEREAS, the City of Moorhead has hired Gast Construction as Construction Manager At Risk for pre-construction services not to exceed \$25,000; and

WHEREAS, the City Council anticipates a Guaranteed Maximum Price Amendment #1 (1 of 2) for an update to the GMP as outlined within the Agreement for CMAR services for this project; and

WHEREAS, the City Council will consider Guaranteed Maximum Price Amendment #2 (2 of 2) at a future meeting.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Moorhead Minnesota the Mayor and City Manager are hereby authorized and directed to execute Amendment #1 with Gast Construction Company, Inc. for Guaranteed Maximum Price not to exceed \$950,000.

PASSED: August 12, 2024 by the City Council of the City of Moorhead.

APPROVED BY:

ATTEST:

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Michelle (Shelly) A. Carlson, Mayor

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Christina Rust, City Clerk