



MEMORANDUM

P.O. Box 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: DON REIMER, COMMUNITY DEVELOPMENT DIRECTOR
**RE: RESOLUTION 23-07 - CMGC CONTRACT AMENDMENT FOR GRANITE PARK
WORKFORCE HOUSING PROJECT – GUARANTEED MAXIMUM PRICE**
DATE: JANUARY 24, 2023

Summary and Background: In January 2021 the Town of Frisco started development on Granite Park, a 22-unit workforce housing project being developed in collaboration with the Colorado Department of Transportation (CDOT). Construction drawings and project specifications were completed in March, 2022. In May, the Town entered into a contract with Diversified Consulting Services (DCS) for Owner’s Representative services to assist the Town and CDOT in management of the project. A Request for Proposals (RFP) for Construction Manager General Contractor (CMGC) services for project construction.

Town Council approval a contract for the first phase of the CMGC contract, pre-construction services, at the October 25, 2022 meeting. During pre-construction, the contractor, owner’s rep, project architect, and Town and CDOT staff clarified project details and logistics to develop set prices for each part of the project to calculate a Guaranteed Maximum Price (GMP) for project construction.

In addition, the GMP value is being used to set project financing and the cost share with CDOT. Under the agreement with CDOT, project costs are being split with the Town, with the value of the land being applied to CDOT’s share of project costs.

Background and Analysis: DCS recommended that the Town pursue services of a CMGC for the Granite Park project. The services of a CMGC are split in to two parts: pre-construction and construction. During the preconstruction phase, a CMGC will provide feedback on the design and propose any cost saving measures that may be beneficial and reach out to as many sub-contractors as possible to ensure that there is accurate pricing, and that the proposed schedule can be met. At that time, the owner, based on the data received from the CMGC, can opt to either move forward into the second phase of the CMGC contract through construction, or end the contract and go in a different direction. The main benefit of these preconstruction services is that the project owner will have only spent a small amount of money getting all of that data and information.

The Town entered into a CMGC contract for pre-construction with MW Golden Constructors (MWG) at their October 25, 2022 meeting. The fee for the pre-construction phase was not to

exceed \$20,000, with the primary deliverable being a Guaranteed Maximum Price for the Town and CDOT to consider and determine if the contract should be amended to move to the second phase, construction. In accordance with the terms of the pre-construction contract, MWG delivered a GMP in the amount of \$12,279,678 on January 10, 2023. The updated construction schedule submitted with the GMP includes a construction start date of April 17, 2023, with completion by November 1, 2024.

Financial Impact: The 2023 budget includes \$10,410,000 for construction of the project. An additional \$2M is shown in the proposed 10-year proforma for the completion of the project in 2024. That amount is partially offset by a separate revenue line item for CDOT contributions in the amount of \$3,530,000. After accounting for the value of the land and a \$1.5 million grant awarded by DOLA, the Town portion of construction costs will be \$7,122,567. The January 24, 2023 Town Council meeting includes a separate agenda item to consider Ordinance 23-03, related to project financing.

Alignment with Strategic Plan: The Granite Park Housing project aligns with the Inclusive Community and Sustainable Environment Strategic Plan goals. Adding more rental options to the Frisco housing market will allow more opportunities for prospective workers to live where they work. This project will also be built to the most current sustainability code and will be a great example of what can be accomplished with high-density housing developments.

Environmental Sustainability: Granite Park was designed with sustainability in mind. The project has been designed to exceed the requirements of the Summit Sustainable Building Code, is zero-energy ready, and includes installation of photovoltaics to offset energy use.

Staff Recommendation: Staff recommends that Council approve the contract amendment with MW Golden Constructors for CM/GC services for construction of the Granite Park Housing Project.

Approved By:

Tom Fisher, Town Manager
Leslie Edwards, Finance Director

Attachments:

Attachment 1 – Resolution 23-07
Attachment 2 – Granite Park CMGC Contract Amendment - GMP
Attachment 3 – Granite Park GMP Details
Attachment 4 - Granite Park Construction Schedule