

RESOLUTION NO. 12-19190

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA, AUTHORIZING THE USE OF AN ALTERNATIVE PROJECT DELIVERY METHOD FOR CONSTRUCTING THE EMPIRE PARKING GARAGE

WHEREAS, § 18-2-502, MCA, authorizes the City to use an alternative project delivery contract method when constructing public improvements. A governing body that uses an alternative project delivery contract shall determine that the proposal meets at least two of the criteria described in §18-2-502, MCA, subsections (2)(a) through (2)(c) and the provisions of subsection (3).

WHEREAS, the City of Billings has determined that in order to accommodate and encourage downtown development and redevelopment, it intends to construct a mixed-use parking structure on Montana Avenue between N. 27th Street and N. 28th Street (Broadway) that will contain approximately 525 parking stalls and 17,000 sq ft of ground-level retail space, also known as the Empire Parking Garage and “the Project”.

WHEREAS, the City Council has determined that it desires to use the alternative project delivery method that is commonly called design/build to construct the Project and therefore makes the following findings, in conformance with the referenced state law.

FINDINGS

1. The City Council approved a contract for construction project management services from OAC Services, Inc., a professional project management consulting firm with extensive alternative project delivery experience. Previous relevant experience includes the Billings Federal Courthouse, the Olympia, Washington City Hall, and the Washington State University Visitor Center.
2. Procurement of design-build services shall be through an open public process. All qualified contractors are eligible to compete, following Montana statutes and City of Billings ordinances. A Request for Qualifications has been prepared and distributed and will be used to short-list three qualified competitors, using a scoring system to rate: 1) relevant experience, 2) proposed staff and 3) proposed approach. A City-appointed Selection Committee will score and rank Statements of Qualifications using the stated scoring criteria. The three selected competitors will prepare design and fixed-price solutions based on a detailed Request for Proposal. Design and price proposals will then be judged and scored by the Selection Committee against scoring criteria stated in the RFP. Formal presentations by the competitors will be held to further clarify the design solutions developed and address Selection Committee questions. The highest scored design and qualified team will be awarded the Design Build contract. Design Build competitors are free to select subcontractors and consultants as they see fit, similar to traditional delivery methods. Competitors will be encouraged to seek the most competitive, qualified consultants, subcontractors and local providers in order to provide the best overall value to the City.

3. The Northern Hotel, one of the primary project occupants, is scheduled to reopen by November, 2013 and the City has time-sensitive contractual obligations to the Northern and other potential occupants of the garage and proposed retail spaces. An alternative project delivery contract is necessary to meet critical deadlines by designing and building the project as early as possible. As demonstrated by the Design Build Institute of America, design build delivery offers the fastest schedule by allowing design, materials procurement and permitting to occur in a fast-track manner, speeding overall delivery to meet parking obligations to neighboring properties.
4. There are at least five advantages that are associated with the alternative project delivery process which produce cost savings as well as design, quality and schedule improvements:
 - **Single responsibility** – The design/build approach provides both architecture/engineering and construction under a single contract. Therefore, the owner's control of the entire design/build process is strengthened and financial risk is reduced by contracting with a single firm that is unconditionally committed to project success.
 - **Early knowledge of the firm price** – A design/build team, working closely with its client, accurately conceptualizes the completed project at an early stage. Continuous and concurrent estimating during the development of design results in accurate, guaranteed construction costs and schedule far sooner than a traditional design/bid/build delivery. This permits the firm establishment of project feasibility and financing well in advance of the drafting of final construction documents.
 - **Value-engineering** – Design and construction personnel – working as a team – evaluate alternative systems, materials and methods efficiently and accurately. From the outset of the project, both design and construction expertise is brought to bear upon all components of a project. Operating expense is evaluated against capital cost to optimize lifecycle costs.
 - **Time strategies** – The design and construction processes can be overlapped, bidding periods and redesign time are eliminated, and long lead time purchases can be made early on in the design phase. The total project duration is significantly reduced, resulting in earlier utilization and superior total project economics.
 - **Quality enhancement** – Design/build inherently provides higher quality than the separate, often conflicting architect vs. contractor approach. Because the design/builder has responsibility for performance, it is motivated to build with quality. Design/build eliminates the traditional finger pointing among the architect, engineer and contractor, and allows resources and attention to be productively focused on cost-effective solutions that reflect best value and quality.
5. The procurement methodology employed by Billings and OAC for this design/build contract will encourage broad, aggressive design and pricing competition. Design Build competitors are free to select subcontractors and consultants as they see fit, similar to traditional delivery methods. Competitors will be encouraged to seek the most competitive, qualified consultants, subcontractors and local providers in order to provide the best overall value to the City. Unsuccessful competitors will be given the opportunity to review the selected team's materials, Selection Committee scoring and other materials once a contact has been awarded.

NOW, THEREFORE, BE IT RESOLVED BY the City Council of the City of Billings, Montana:

The City Council hereby adopts the above stated findings of fact and determines that using the Alternative Project Delivery Contract is warranted and necessary for the proposed construction of the Empire Parking Garage. These findings establish compliance with the requirements of 18-2-502 (2) and 18-2-502 (3), MCA.

Approved by the Billings City Council this 23rd day of July, 2012.

CITY OF BILLINGS



Thomas W. Hanel
Thomas W. Hanel, Mayor

ATTEST:

Cari Martin

Cari Martin, City Clerk