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**Title:** Approve use of Fresno Municipal Code Section 4-502(d), Design Build Qualification Method of procurement for automation and video surveillance at the City of Fresno Parking Garages.

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**REPORT TO THE CITY COUNCIL**

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**SUBJECT**

Approve use of Fresno Municipal Code Section 4-502(d), Design Build Qualification Method of procurement for automation and video surveillance at the City of Fresno Parking Garages.

**RECOMMENDATION**

Staff recommends City Council approve the use of Fresno Municipal Code (FMC) Section 4-502, Design Build Qualification Method of procurement for automation and video surveillance at the City of Fresno Parking Garages.

**EXECUTIVE SUMMARY**

The successful execution of City of Fresno Parking Division’s automation and video surveillance at City of Fresno Parking Garages is based on obtaining cost and schedule certainty. Delivering the automation and video surveillance of City of Fresno Parking Garages on time and within budget are critical due to the financial capability of the Parking Division. In addition, automation and video surveillance parking work is very complex and requires highly specialized knowledge and experience to successfully implement. The Design Build Qualification Method of procurement, commonly known in the industry as Progressive Design Build, will provide the best opportunity to successfully execute

these projects, which are key to growing the Parking Division in a fiscally responsible manner. This procurement process will allow the Parking Division to define goals and select the best design-build teams to meet those goals through a solicitation process based on qualifications, capabilities, and experience. Utilizing this competitive procurement method, the design-build team will be selected to work collaboratively with all stakeholders early in the life of the Project providing the Parking Division with a design and guaranteed maximum price (GMP) prior to committing to a construction contract. This approach takes advantage of the builders' expertise during all stages of design, facilitates ownership and commitment by all parties involved, provides a high degree of cost and schedule certainty, and serves to maximize performance.

## **BACKGROUND**

Qualification based design-build project delivery methods have been successfully used on similar projects with and without Project Labor Agreements at numerous municipally owned parking structures including the City of Fresno Airports Parking Structure. In review of these projects the Parking Division has identified the following similarities and challenges with the automation and video surveillance of parking structures that are best resolved through the use of a Progressive Design Build procurement method:

- Design and construction complexities inherent with work on aging parking structures
- Qualifications of the construction team required for specialized work involved with automation and video surveillance of parking garages
- Schedule and construction phasing to meet Parking Division growth demands while optimizing cost, ongoing operations, and customer service
- Total project cost certainty early in the process
- A high level of collaboration between the Parking Division, designer, and builder to ensure consideration and coordination throughout the design-build process and a sense of project team ownership and trust.

Upon completion of the solicitation process and design/preconstruction contract negotiations with the most qualified design-build entity for the Project, the Parking Division will request Council approval to execute a contract for Phase One Preliminary Services which includes budget-level design development, preconstruction services and the development of a firm construction price and schedule. After completion of approximately 80% design and establishment of a Guaranteed Maximum Price (GMP) in Phase One, the Parking Division will come back to Council for approval to execute a contract for Phase Two Services, also called Final Design and Construction Services.

Phase Two completes the final design and construction of the Project for the agreed upon contract price and schedule. The qualifications-based design build procurement method will provide the Parking Division with the best opportunity to deliver automation and video surveillance projects on time and within budget, provides for the highest possible level of collaboration and incorporates additional attributes such as, (i) ongoing cost estimating and value engineering during the design process to ensure the projects stay within prescribed budget and schedule constraints, (ii) the ability to exercise an "off ramp" if cost and terms cannot be met, and, (iii) reduction in claims and delays due to the high level of collaboration from project inception.

As with any design-build, the fundamental procurement objective is to select the right team that will, (i) work collaboratively with the Parking Division, (ii) offer the best chance to meet the Parking

Division's project goals and required outcomes, and (iii) is trustworthy, fair, qualified, and transparent. The use of a qualification-based design-build project delivery method for the automation and video surveillance of City of Fresno Parking Garages will help the Parking Division meet those objectives.

## **ENVIRONMENTAL FINDINGS**

Pursuant to California Environmental Quality Act (CEQA) Guidelines Section 15378, this is not a "project" as defined by CEQA.

## **LOCAL PREFERENCE**

Local preference does not apply because approval of a design-build entity selection process does not include a bid or award of a construction or services contract.

## **FISCAL IMPACT**

The execution of automation and video surveillance of City of Fresno Parking Garages through the use of a Design Build Qualification Method of procurement will have no fiscal impact to the General Fund. Projects delivered using a progressive design-build approach, which is focused on achieving a desired outcome within budget, will likely see a significant reduction in cost and schedule overruns.