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**Title:** Approve use of Fresno Municipal Code Section 4-502(d), Design-Build Qualifications Method of procurement for the H Street Parking Structure Project generally bounded by Mono Street, Kern Street, Union Pacific Railroad and H Street (Council District 3).

**Sponsors:** Capital Projects Department

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**Code sections:**

**Attachments:** 1. 24-623 Location Map.pdf, 2. 24-623 Vicinity Map.pdf

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**REPORT TO THE CITY COUNCIL**

**FROM:** RANDALL W. MORRISON, PE, Director  
Capital Projects Department

**BY:** FRANCISCO V. MAGOS II, PE, Assistant Director  
Capital Projects Department, Utilities and On-Site Project Management Division

DALTON BENNETT, Projects Administrator  
Capital Projects Department, Utilities and On-Site Project Management Division

**SUBJECT**

Approve use of Fresno Municipal Code Section 4-502(d), Design-Build Qualifications Method of procurement for the H Street Parking Structure Project generally bounded by Mono Street, Kern Street, Union Pacific Railroad and H Street (Council District 3).

**RECOMMENDATION**

Staff recommends City Council approve the use of Fresno Municipal Code (FMC) Section 4-502(d), Design-Build Qualifications Method of procurement for the H Street Parking Structure Project and authorize the Capital Projects Director or designee to initiate the Request for Qualifications (RFQ) process for Progressive Design-Build Entity procurement.

**EXECUTIVE SUMMARY**

The City is seeking to build a new parking structure within the area bounded by H Street, Kern Street, Mono Street and the Union Pacific Railroad corridor that will support future residential developments

and other downtown attractions. The preliminary design efforts for the H Street Parking Structure Project are funded through the dollars received by the State of California for the Downtown Fresno Public Infrastructure Improvement Projects. Due to the complexity of the proposed project and the accelerated timeline due to the funding, staff is requesting approval from City Council to utilize the Progressive Design-Build procurement method for this project. The proposed project is an ideal candidate for this procurement method and the City has had previous success on a similar project at Fresno Yosemite International Airport.

The request for qualifications will incorporate existing bridging documentation completed by the Capital Projects Department. The bridging documents show conceptual layouts and designs of the parking structure within the general bounded area, also encouraging future mixed-use development within the general project area. Staff recommends the use of the Progressive Design-Build method of project delivery due to the size and complexity of the project, as well as the City's desire for an expedited schedule for design and construction.

## **BACKGROUND**

The City is seeking to procure a qualified Design-Build entity to develop on an existing parking lot in the area generally bounded by Mono Street, Kern Street, Union Pacific Railroad and H Street. Development will consist of an approximate 40,000 square foot multi-level parking structure with roughly 900 spaces. The City intends to own, manage, and operate the H Street Parking Structure.

The parking structure is being proposed in support of housing, entertainment, and high-speed rail as guided by the City of Fresno's Downtown and Chinatown Revitalization Plan. The project site permits a variety of uses from structured parking to residential and mixed used. The H Street Parking Structure will provide opportunities to enhance the community by serving as key infrastructure component amidst a mix use design. The community driven area will be a central location surrounded by retail, activities, mixed housing types, green space areas, and the high-speed rail station.

The successful delivery of complex capital improvement projects require careful management of the project scope, schedule, and budget. The Capital Projects Department has traditionally utilized the design-bid-build method of project delivery, which requires the management of two separate contracts (designer and builder). With the traditional method, the owner (City) solicits bids from builders to perform the documented scope of work as specified in the approved design package, and awards the construction contract to the lowest responsive, responsible bidder. The traditional approach is very well-suited to small to medium-size projects and straightforward projects such as paving, bridges, traffic signals, pipelines, landscaping, or new tot lot installations. By utilizing the Progressive Design-Build method of project delivery, City staff manages only one contract with a single Design-Build Entity with the designer and builder working collaboratively from the beginning of the project. Unified project recommendations that fit the City's schedule and budget are provided from the beginning, and any necessary changes are addressed by the entire team.

Staff recommends using the Progressive Design-Build delivery method and qualifications-based selection process to ensure that the H Street Parking Structure project has the best opportunity to be completed on time and within the specified budget. Using the Progressive Design-Build delivery method, the City and the Design-Build Entity will progress to a final design and Guaranteed Maximum Price (GMP) for construction.

Upon completion of the solicitation process and design/preconstruction contract negotiations with the most qualified Design-Build Entity, staff 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 the GMP in Phase One, staff will return 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. The Design-Build Qualifications Method of procurement will provide the City with the best opportunity to deliver the H Street Parking Structure project 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 City staff, (ii) offer the best chance to meet project goals and required outcomes, and (iii) is trustworthy, fair, qualified, and transparent. The use of a Qualifications-Based Design-Build project delivery method for the H Street Parking Structure Project will help the City meet those objectives.

## **ENVIRONMENTAL FINDINGS**

Approval of project delivery method is not a “project” pursuant to California Environmental Quality Act (CEQA) Guidelines § 15378.

## **LOCAL PREFERENCE**

Local preference does not apply because approval of project delivery method and Design-Build Entity selection process does not include a bid or award of a construction or services contract.

## **FISCAL IMPACT**

The approval to use the Design-Build Qualifications Method of procurement will have no fiscal impact to the General Fund. A future contract will be presented to City Council for consideration following the progressive design-build procurement process. The preliminary design efforts for the H Street Parking Structure Project are funded by the \$50,000,000 received from the State of California for the Downtown Fresno Public Infrastructure Improvement Projects.

Attachments:  
Location Map  
Vicinity Map