



Letter of Determination

July 31, 2025

Mayor James Gray
Vice Mayor Steven Brown
Councilman Randy Bowman
Councilwoman Carolyn Campbell
Councilwoman Michelle Ferebee
Councilwoman Hope Harper
Councilwoman Martha Mugler
City Manager Mary Bunting
22 Lincoln St
8th Floor, City Hall
Hampton VA, 23669

Re: Authorization to procure Construction Management at Risk Services for the Construction of Multiple Sanitary Sewer Force Main Replacement Projects

Dear Mayor Gray, City Manager Bunting, and Councilmembers:

The Wastewater Division of the Public Works Department requests authorization from Council to utilize Construction Management At Risk (CMAR) services for the following projects:

- PS-113 / PS-114 Sewer Force Main Replacement (Aberdeen Road)
- PS-005 Sewer Force Main Extension (Semple Street)
- PS-022 Sewer Force Main Extension (Gilbert Street)
- PS-026 Sewer Force Main Relocation (Markham Drive)
- PS-154 Sewer Force Main Relocation (Appaloosa Court)

Virginia Code §2.2-4382, allows a local public body to enter into a contract for construction on a fixed-price, or not-to-exceed price basis, by procuring construction management services. If such a contract is instituted, then the local public body must adhere to the code by approving a resolution implementing the procedures that are consistent with those adopted by the Commonwealth of Virginia Secretary of Administration, and published in the Construction and Professional Services Manual for utilizing construction management contracts. Hampton City Code Sec. 2-336-1 is already in place and outlines the local procurement rules to be followed. This Letter of Determination is hereby submitted for consideration to evaluate the requested authorization.

Woolpert is under contract to design the new pipelines and to advise the City on the suitability of using construction management services. Woolpert has previously completed the preliminary engineering report, survey, and conceptual plan to begin the process of replacing this high-risk infrastructure.

After the Woolpert team met with the Hampton Wastewater Division to review the Aberdeen Force main replacement project, they reached the conclusion that the use of CMAR would be best, due to this project's unique constraints - namely its critical timeline, complex phasing, and site access constraints. In addition to these constraints, current construction market challenges must also be taken into consideration, as the construction industry continues to experience significant subcontractor and supply chain challenges. Woolpert has many years of significant experience with alternative project delivery methods, including construction management at risk, and is currently involved in multiple construction management at risk projects here in Hampton Roads. They are also active in the Design-Build Institute of America.

Outlined below are additional points consistent with the procedures approved for construction management at risk specifically related to the Aberdeen Road Sewer Force Main Package.

- The project has a unique complexity due to the regulatory- and condition-driven accelerated schedule, potentially high level of disruption to large arterial roads, and potentially difficult alignment/location.
- Currently the construction pricing market is volatile. General contractors and subcontractors are in high demand. This reduces the competitiveness of pricing with the design-bid-build process. Many of Public Works' recent invitations to bid have received a limited number of proposals. The construction management at risk process allows the construction manager to develop subcontractor teams and solicit bids over a longer period of time, which should be more fiscally advantageous. The construction manager's ability to have a guaranteed maximum price early in the process (and prior to the final completion of detailed construction documents) will help avoid both the costly delay and negotiation needed for a high bid, as well as the high change order costs which may be generated through the traditional design-bid-build delivery method.
- Streamlined processes like early contractor input will allow the project to be performed more efficiently than traditional design-bid-build. The design-bid-build method can inadvertently constrain contractors' means and methods, due to assumptions of constructability made during design. Bringing the contractor and their subcontractors into the team early will ensure practical, quality solutions for complex needs. This also allows for risks to be managed up front, providing for a more fiscally advantageous approach since contractors have more time to become aware of site conditions and risk.
- Overlapping phases will speed up the overall completion of the project, lessening the disruption to residents, businesses, and the traveling public. Unlike sealed bidding's slow, sequential steps, alternative methods accelerate timelines which are key for regulatory compliance.
- While the primary driver for this project is the replacement of the sewer force main under/along Aberdeen Road serving Pump Stations 113 and 114, there are other smaller sanitary sewer force mains in need of work. These smaller projects have similar project drivers but are not individually expected to garner much interest or attract cost-effective pricing. Bundling these smaller projects together into a single CMAR package enables

economies of scale and coordinated construction sequencing while increasing contractor interest.

- Cumulatively, there are force mains serving five sanitary sewer pumping stations (113, 114, 154, 5, 22, and 26) slated to be addressed by this project.
- The construction management at risk process integrates the entity responsible for construction into the design process. This is advantageous to the City through advising cost savings, constructability review, preliminary guaranteed maximum price opinions, the inclusion of critical construction trade subcontractors and suppliers in an advisory capacity during the design process, and the management of possible early construction and procurement packages.

Along with the recommendation from Woolpert, both the Office of Procurement, and the City Attorney's Office have reviewed this approach, and confirm that the project aligns with both state and local CMAR procedures. We hereby request City Council approve this request to use Construction Management At Risk (CMAR) for the replacement of force mains in the pump station areas listed.

Sincerely,

A handwritten signature in black ink that reads "Michael Bowry". The signature is written in a cursive, flowing style.

Michael Bowry
Interim Director of Public Works