City Council Item

September 22, 2025

Item	Approve entering into agreements with Construction Manager for Chanhassen Bluffs Community Center	
File No.		**Item No:** D.10
Agenda Section	**CONSENT AGENDA**	
Prepared By	Laurie Hokkanen, City Manager	
Reviewed By		

SUGGESTED ACTION

Approve entering into the A133 and A201 (AIA Standard documents) with RJM Construction.

Motion Type	Simple Majority Vote of members present
Strategic Priority	Development & Redevelopment

SUMMARY

BACKGROUND

The city is using the construction manager at risk model for this project. The CMar process places the construction manager in essentially the same position as a general contractor because the construction manager is responsible for all subcontractors and for the "price, schedule, and workmanship" of the project. The 2023 Minnesota Legislature authorized municipalities to use the Construction Manager at Risk (CMar) process for non-right-of-way construction projects over $175,000, effective Aug. 1, 2023, and to be codified as Minnesota Statutes, section 471.463.

In contrast to the CMa process, the CMar guarantees construction of the project for a guaranteed maximum price (GMP) in accordance with the agreed-upon completion schedule, subject to owner-directed changes or changed conditions. The GMP consists of the cost of the construction contracts, a contingency, the CMar's negotiated fee, and its general conditions costs.

The CMar process allows a city to turn over a project to a competitively selected construction manager who is responsible for the work performed by the contractors, which are the CMar's subcontractors, rather than through contracts directly with the city. The CMar GMP method usually results in less city staff involvement in the construction process and fewer change orders than in the CMa process.
The CMar process is nearly identical to the state agency CMar requirements in Minnesota Statutes, section 16C.34. Cities using CMar must follow competitive selection procedures in hiring the CMar and must supervise the CMar's required subcontractor competitive bidding process. The CMar process is commonly used for large private projects, and state agencies have been able to use it since 2005.

In accordance with the solicitation and selection process laid out in MN State Statute 471.463 a request for qualifications (part 1) and request for proposals (part 2) were posted. The city received four RFQ submissions. Three firms were interviewed and their RFP proposals (part 2) evaluated.

All three interviewed firms met the minimum requirements and had experience with Community Centers. Firms had a clear understanding and experience with the Construction Manager at Risk approach. This includes assisting throughout the design and bidding process, helping the team with value engineering, budget, estimates, and scheduling.

DISCUSSION

The documetns are substanitally complete, but final versions of the agreements will be approved by the city attorney prior to execution.

BUDGET

Conceptual Planning $0
Pre-Construction Services During Schematic Design and Design Development $20,000
Construction Phase Services during Construction Documents and Construction, CMAR Fee, as a Percentage of Cost of Work 1.50%

See Page 2 of the attached RFP for full fee worksheet.

Although price was not the only factor considered, RJM Construction did provide the lowest overall fee.

RECOMMENDATION

Based on a review of qualifications and proposals that included an interview, city staff recommend the selection of RJM Construction for construction manager services at the Chanhassen Community Center.

ATTACHMENTS

CMAR RFQ Chanhassen 3.11.25
RJM-FinalSubmission ChanhassenBluffs CC RFQ
RFP 4.11.25
RJM Construction 4-18-25
A201
A133