



CITY OF DURHAM | NORTH CAROLINA

Date: January 18, 2011

To: Thomas J. Bonfield, City Manager

Through: Theodore L. Voorhees, Deputy City Manager

From: Joel V. Reitzer, Jr., Director, General Services Department
John Gregory, Assistant Director, Project Management
Brett Pulliam, Construction Project Manager

Subject: Campus Hills Park / I. R. Holmes Recreation Center Upgrades Construction Agreement

Executive Summary

On December 21, 2010, four bids were opened for the Campus Hills Park / I. R. Holmes Recreation Center Upgrades Project. The lowest, responsive, responsible, lump-sum base bid was submitted by Racanelli Construction South, Inc., for \$1,028,000.00. The base bid scope of work includes repairs and improvements to the parking lot; toilets and locker rooms; brick and masonry; plumbing, mechanical and electrical systems; life safety systems; site for accessibility and drainage; interior finishes; door hardware; and signage.

The General Services Department recommends accepting the Bid Alternates as follows:

- Alternate #1 – Interior finishes preferred brands for \$2,160.00.
- Alternate #2 – Install exterior CMU wall perimeter flashing for \$21,900.00.
- Alternate #3 – Install HVAC controls for \$6,195.00.

The Campus Hills / I. R. Holmes Upgrades project was delayed in November of 2009 due to a construction budget shortfall. In order to fund the budget deficit and proceed with construction, the General Services Department is requesting an Amendment to Ordinance 14025 Section 1 - Culture and Recreation in a separate Agenda Memo. In addition to the cost of construction for the upgrades, there has been a significant, continuous leak from the I. R. Holmes pool that has been identified as a top priority within the Recreation Center Bundle by Durham Parks and Recreation. Reallocated funds from the CIP Ordinance Amendment will be used to fund investigation, design and partial construction depending on repair estimates, at a later date under a different contract.

Recommendation

The General Services Department recommends that the City Council:

1. Authorize the City Manager to execute a construction contract for Campus Hills Park / I. R. Holmes Recreation Center Upgrades to Racanelli Construction South, Inc. in the amount of \$1,058,255.00, which includes the base bid and recommended alternates.

2. Establish a project contingency in the amount of \$160,000.00 and authorize the City Manager to negotiate and execute change orders on the Campus Hills Park / I. R. Holmes Recreation Center Upgrades construction contract, provided the total project cost does not exceed the amount budgeted for construction phase plus the project contingency.

Background

In 2003, the City contracted with the engineering firm Carter Burgess, Inc., to complete a comprehensive City facility condition assessment. The purpose of the study was to identify work needed in City facilities due to deferred maintenance and component renewal. This current project addresses improvements to the Campus Hills / I. R. Holmes Recreation Center and is funded with 2005 General Obligation Bond Funds.

This project also addresses specific deficiencies, both existing physical and programmatic barriers, in City facilities under the Americans with Disabilities Act (“ADA”) as indentified in the settlement with the U. S. Department of Justice (“DOJ”) in 2005.

The scope of work for this project includes ADA accessibility repairs to the parking lot and restroom facilities, correcting building and site drainage, repairing damaged or deteriorated exterior roofing components, interior and exterior painting, weather proofing, upgrading life safety components, upgrading HVAC components, upgrading interior and exterior lighting, upgrading plumbing components, and reconstruction of exterior glazing and brick veneer.

On January 16, 2007, the City awarded a professional services contract to BJAC, PA. On March 3, 2008 the City assigned the professional services contract from BJAC, PA to Roughton Nickelson De Luca Architects, PA, to complete the design and construction administration work.

On January 4, 2007, City Council authorized a CMAR (Skanska USA Building Inc.) services agreement for preconstruction services for this project as part of the “Parks Bundle”. The CMAR completed preconstruction services in August of 2009. On September 25, 2009, the General Services Department recommended not to proceed with the CMAR delivery method for construction, opting instead to bid the project using the single prime delivery method.

Issues/Analysis

The start of construction has been adjusted from an anticipated start date of November 9, 2009 as originally planned with the CMAR to a start date of February 21, 2011 due to a construction budget shortfall, which occurred for three primary reasons.

- In 2008, probable cost of construction estimates by RND Architects during the design development phase revealed cost escalations, additional HVAC component replacement, and life safety and code compliance items not previously identified since the 2003 Carter & Burgess assessment.
- Funding from 2005 GO bonds under Culture and Recreation – ADA Compliance – Parks and Rec for the Rec Center Bundle was insufficient to cover the DOJ settlement portion of this project.
- Selective demolition tests in 2008 and 2009 at the I. R. Holmes Recreation Center revealed that the construction of the building envelope was sub-par. Due to the accelerated failure of the exterior pool walls, reconstruction will be part of this project.

Unforeseen conditions in renovation projects are always a potential for additional cost exposure. Many conditions are unknown until demolition occurs, such as aging systems, unsuitable soils, buried storm water systems, lead and asbestos containing materials, plumbing encased in concrete, and buried conduit. The potential unforeseen conditions are accounted for in the recommendation of an owner construction contingency in the construction budget based on the total project budget.

In addition to the cost of construction for the upgrades, there has been a significant, continuous leak from the I. R. Holmes pool that has been identified as a top priority within the Recreation Center Bundle by Durham Parks and Recreation. Reallocated funds from the CIP Ordinance Amendment will be used to fund investigation, design and partial construction depending on repair estimates, at a later date under a different contract.

Bids were opened on December 21, 2010. Four bids were received and evaluated for the determination of the lowest, responsive, responsible bidder.

The bid results are as follows:

<u>Company</u>	<u>Base Bid</u>	<u>Base + Recommended Alternates</u>
Racanelli Construction South	\$1,028,000.00	\$ 1,058,255.00
Riggs-Harrod Builders	\$1,068,911.00	\$ 1,119,885.00
Harrod & Associates Constructors	\$1,153,000.00	\$ 1,199,800.00
C. T. Wilson Construction	\$1,164,301.00	\$ 1,207,750.00

Alternatives

The General Services Department has not identified any alternatives since the bids received are competitive.

Financial Impact

Project Funding for Construction after CIP Ordinance Amendment (Ref. Item #7580)

2005 GO Bonds	CH020	\$ 4,366.28
2005 GO Bonds	CH025	\$ 1,742,396.72
2005 GO Bonds - ADA	CH203	\$ 19,749.00
TOTAL		\$ 1,766,512.00

Funding Uses Summary

Professional Services	\$ 146,575.07
Owner's expenses*	\$ 25,629.56
Potential Pool Leak Repair	\$ 363,309.37
Owner Contingency-Design	\$ 12,743.00
Owner Contingency-Construction	\$ 160,000.00
Construction	\$ 1,058,255.00
TOTAL	\$ 1,766,512.00

Construction Allocations per Project:

Campus Hills/IR Holmes		
Constr. + Permits	3000H901-731000-CH025	\$ 1,058,255.00
Constr Contingency	3000H901-731900-CH025	\$ 160,000.00
	Total	\$ 1,218,255.00

* Owner's Expenses include but are not limited to Property Acquisition, Permits, Surveys, Engineering Services and Reviews.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Racanelli Construction South, Inc. Cary, NC and have determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City of Durham contracting.

SDBE Requirements

Firm	ID	City/State	Amount	% of Contract
Plumbing and Pipe Technologies	MSDBE	Durham, NC	\$97,000.00	9.43%
American Safety Products	MSDBE	Durham, NC	\$27,741.00	2.71%
Topnotch Masonry, inc.	MSDBE	Raleigh, NC	\$66,100.00	6.42%
Shulz Iron Works, Inc.	WSDBE	Raleigh, NC	\$ 4,500.00	.44%
Triangle Case Work, Inc.	WSDBE	Raleigh, NC	\$16,473.00	1.6%
Guaranteed Systems, Inc.	WSDBE	Stoneville, NC	\$20,403.00	1.99%

The goals for this project were: 16% M/SDBE and 4 % W/SDBE. Racanelli Construction, South, Inc. attained participation of: 18.55% MSDBE and 4.03% WSDBE.

Workforce Statistics

Workforce statistics for Racanelli, Construction South, Inc. are as follows:

Total Employees	59	
Total Females	19	32%
Total Males	40	68%
Black Males	8	14%
White Males	31	52%
Other Males	1	2%
Black Females	0	.0%
White Females	19	32%
Other Females	0	0%