



CITY OF DURHAM | NORTH CAROLINA

Date: October 16, 2012

To: Thomas J. Bonfield, City Manager

Through: Wanda S. Page Deputy City Manager

From: Joel V. Reitzer, Jr., Director, General Services Department
Don Stewart, Senior Project Manager

Subject: Leigh Farm Park Phase 2 Site Infrastructure Project Construction Contract

Executive Summary

On September 20, 2012, six bids were opened for the Leigh Farm Park Phase 2 Site Infrastructure Project. The lowest, responsive, responsible, lump-sum base bid was submitted by SBC Contracting, Inc. for \$674,896.00. The scope of work includes the extension of new site water and sewer to several buildings, a new paved parking lot, new paved roads, new sidewalks, and the relocation and renovation of an existing modular building into a visitor center.

Recommendation

The General Services Department recommends that the City Council:

- 1) Authorize the City Manager to execute a construction contract for Leigh Farm Park Phase 2 Infrastructure to SBC Contracting, Inc. in the amount of \$674,896.00.
- 2) Establish a project contingency in the amount of \$80,988.00 and to authorize the City Manager to negotiate and execute change orders on the Leigh Farm Park Phase 2 Infrastructure construction contract, provided the total project cost does not exceed the amount budgeted for construction phase plus the project contingency.

Background

In 1995 the City agreed to lease 25 acres of the 87-acre Leigh Farm Park site from the State of North Carolina. The property leased by the City contains the majority of the historic buildings which as a group are listed on the National Register of Historic Places. The forty-year lease with the State obligated the City to begin restoration work on the historic buildings and to open the site as a park by 2010. In early 2005, the City purchased two acres from the Triangle Land Conservancy to complete acquisitions for a contiguous park. On November 14, 2010 the State extended the lease for 3 years making the new deadline to open the site as a park November 14, 2013. The expected completion date for Phase 2 is mid-November, 2013.

Through the 2005 bond referendum and Intergovernmental Grants, the City of Durham funded \$1,298,860.00 for professional services, restoration of historic buildings referred to as Phase 1,

and the construction of site infrastructure improvements referred to as Phase 2. Phase 1 was completed on December 20, 2011. In June, 2012 City Council approved \$202,904.00 through Installment Sales to provide additional funding needed to complete Phase 2. On August 7, 2012, the Leigh Farm Park Phase 2 Site Infrastructure Project was bid. Five bids were received; however the lowest bids were deemed nonresponsive, due to failure to comply with statutory bid requirements and failure to submit good faith efforts for SDBE goals. All bids were rejected and the project was rebid.

Issues/Analysis

Construction will commence by January 2013 and the project is expected to be completed by November 2013. As with any renovation project, addressing unforeseen conditions such as the presence of underground utility lines or unanticipated geological conditions could delay the project completion or require a scope change or reduction. To mitigate risks a geotechnical engineering report has been completed and taken into account in the final construction documents. The report indicated potential rock and bad soils. Therefore a 12% contingency has been budgeted to address unexpected site conditions.

On September 20, 2012, the project was rebid and six bids were received. These bids were received and evaluated for the determination of the lowest, responsible, responsive bidder.

The bid results are as follows:

<u>Company</u>	<u>Base Bid</u>	<u>Base + Alternates</u>
SBC Contracting, Inc.	\$674,896.00	\$700,000.00
H. M. Kern Corporation	\$744,000.00	\$765,370.00
Riggs-Harrod Builders, Inc.	\$749,876.00	\$779,376.00
JW Grand, Inc.	\$774,500.00	\$799,502.00
Centurion Construction Inc.	\$809,550.00	\$843,140.00
Triangle Paving	\$826,063.47	\$857,177.47

The bid results are consistent with the Architect’s estimated cost of construction and General Services recommends award of the base bid scope of work.

Alternatives

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

Financial Impact

Project Funding		
2005 GO Bonds		\$300,000.00
Intergovernmental		\$200,000.00
Intergovernmental		\$798,860.00
Installment Sales (FY 2013 CIP Funding)		\$202,094.00
Total Project Funding		\$1,500,954.00
Funding Uses Summary		
Prior:		
Professional Services-Design		\$228,561.00
Phase 1 Construction-Final Cost		\$237,173.00
*Other Project Costs		\$279,336.00
Total		\$745,070.00
Current:		
Phase 2 Construction	3000H000-731000-CH140	\$472,802.00
Phase 2 Construction	3000H990-731000-CH140	\$202,094.00
Owner Contingency for Phase 2	3000H000-731900-CH140	\$80,988.00
Total		\$755,884.00
Funding Uses Total		\$1,500,954.00

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

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by SBC Contracting, Inc., of Durham, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 6% and WSDBE 3%. It was determined that SBC Contracting, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

The workforce statistics for SBC Contracting, Inc. are as follows:

Total Workforce	8	
Total Females	0	0%
Total Males	8	100%
Black Males	4	50%
White Males	1	12%
Other Males	3	38%
Black Females	0	0%
White Females	0	0%
Other Females	0	0%