



**CITY OF DURHAM | NORTH CAROLINA**

**Date:** November 5, 2013

**To:** Thomas J. Bonfield, City Manager

**Through:** W. Bowman Ferguson, Deputy City Manager

**From:** Joel V. Reitzer, Jr., Director, General Services Department

**Subject:** Construction Contract with Burney and Burney Construction Co., Inc. for City Hall and Annex Exterior Envelope Renovations

### **Executive Summary**

From 2009-2013, the Capital Improvements Program (CIP) provided funding for design and renovation of the City Hall Envelope and associated work. The design work completed addresses functional and safety issues, replacement of the City Hall Chillers, and partial renovation of the City Hall Annex Plaza.

Six bids were opened on Oct. 24, 2013. Burney and Burney Construction Co., Inc. (Burney & Burney) was the apparent low bidder. General Services Department (GSD), Department of Equal Opportunity/Equity Assurance (EO/EA), and Finance's Risk Management Division have reviewed the bids, conducted a de-scoping meeting, and concluded that Burney & Burney is the lowest responsive and responsible bidder.

The lump-sum base bid submitted by Burney & Burney is \$4,620,000, which is within the established project budget. The base bid scope of work includes the following work:

1. City Hall Envelope: Replace exterior wall cladding system with a metal rainscreen cladding system; Repair exterior masonry, building joint sealants, flashings, soffits; Replace and/or seal windows; Replace waterproofing at loading dock; Replace monumental stair.
2. City Hall Annex Plaza: Replacement of the concrete topping slab with new decorative concrete; Replace existing plaza waterproofing system, guardrails and handrails.
3. City Hall Chiller: Replace the chiller equipment with high-efficiency modular chillers.

Further, the General Services Department recommends accepting the following bid alternates:

1. Bid Alternate A1: Provide preferred brand/vendor for replacement brick for \$0.00 (included in base bid).
2. Bid Alternate A3: Replace revolving door at City Hall main entrance for \$0.00 (included in base bid).
3. Bid Alternate L1: Landscaping and Exterior Improvements for \$0.00 (included in base bid).
4. Bid Alternate M1: Provide preferred brand/ vendor for mechanical equipment/building controls for \$0.00 (included in base bid).
5. Bid Alternate E2: Provide exterior accent lighting to include color-changing LED fixtures at Council Chambers and City Hall main entry for \$0.00(included in base bid).

6. Bid Alternate E3: Provide exterior lighting to include column-style fixtures at ground level for \$0.00 (included in base bid).

The contract total of \$4,620,000.00 is within the project budget established for construction.

### **Recommendation**

The General Services Department recommends that the City Council:

1. Authorize the City Manager to execute a construction contract for the City Hall and Annex Exterior Envelope Renovations with Burney and Burney Construction Co., Inc. in the amount of \$4,620,000.00, which includes the base bid and recommended alternates.
2. Establish a project contingency in the amount of \$693,000.00 and authorize the City Manager to negotiate and execute change orders on the City Hall and Annex Exterior Envelope Renovations construction contract, provided the total project cost does not exceed the amount budgeted for construction phase plus the project contingency.

### **Background**

City Hall was constructed in 1976 and the City Hall Annex was constructed in 1964. Major interior renovations and accessibility upgrades to City Hall and the first floor of the City Hall Annex as well as full roof replacement at City Hall were completed in 2009.

In May 2008, the General Services Department commissioned a study to quantify work required to address envelope-related problems at the City Hall and City Hall Annex buildings. In July 2009, City Council allocated funds for the City Hall Envelope and Annex Roof project. In September 2011, construction was completed on the City Hall Annex Roof Replacement. Initial design for the City Hall Envelope phase of the project commenced in October 2009, however, issues were identified with respect to the fiber-reinforced concrete and plywood panel cladding on the building. Further investigation determined that the exterior building panels would require replacement, and that additional funds would be necessary for this work. Replacement of exterior cladding will result in improved insulation and energy efficiency and extend the useful life of the building. In July 2011, City Council allocated additional funds for replacement of the concrete panel cladding system.

Replacement of the waterproofing in the City Hall Annex Plaza and chiller replacement at City Hall are involved. The existing chillers at City Hall were installed in the 1976 construction of the building and have reached the end of their useful life. Replacement of the chillers with new, modern equipment will improve energy efficiency, system functionality and user comfort. The City Hall Annex Plaza Renovation will replace the slab and waterproofing system which protects the parking garage on the ground level of the Annex. The Annex plaza waterproofing system has failed in several locations and requires replacement to ensure continued integrity of the parking level below. In addition to waterproofing replacement, the plaza renovation will include replacement of the existing non-compliant handrail system with updated guardrails and include ADA accessibility improvements.

In July 2012, City Council allocated funds through the CIP process for the replacement of the City Hall Chillers and replacement of the City Hall Annex Plaza waterproofing system.

On Sept. 4, 2012, City Council approved a professional services contract with Roughton Nickelson DeLuca Architects (RND Architects) to complete design and construction documents to address three scopes of work:

1. Renovation of City Hall Envelope (inclusive of replacement of existing concrete panel system and brick at the northwest corner);
2. Replacement of City Hall Chillers; and
3. Renovation of City Hall Annex Plaza as required to renovate waterproofing systems.

During the investigation phase in Fall 2012, it was determined that two walls of brick veneer at the northwest corner of City Hall were inadequately supported. This was a serious safety concern. Installation of anchor bolts to stabilize the exterior walls was completed as an emergency repair in February 2013. In July 2013, City Council allocated funds for the additional scope to replace the exterior walls with new brick and structural support in the unsupported area on the northwest and west elevations.

### Issues/Analysis

Construction work will impact some areas of City Hall but the construction impacts are mostly limited to exterior circulation issues, sidewalk closures and intermittent street closures. Noise will impact operations within City Hall during demolition and construction. General Services staff will work closely with affected departments to communicate impacts during the construction period. City Hall will remain fully occupied during construction, scheduled to commence in mid-December 2013, and completion by Fall 2014.

During the uncovering of work, the contractor may encounter unforeseen conditions. Thus, a 15% contingency has been budgeted.

Bids were opened on Oct. 24, 2013. Six 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>
Burney & Burney Construction Co.	\$4,620,000.00	\$4,620,000.00
Riley Contracting	\$4,390,300.00	\$4,715,500.00
Harrod & Associates	\$4,372,000.00	\$4,745,000.00
H.M. Kern Corp.	\$4,891,000.00	\$5,240,000.00
J. Wayne Poole	\$4,907,000.00	\$5,325,762.00
C.T. Wilson	\$5,341,970.00	\$5,747,813.00

General Services reviewed the low bid with Burney and Burney in a “descoping” meeting and also checked the low bidder’s references. Through this process, General Services confirmed that the \$0 cost alternate was Burney and Burney’s bid strategy and that the scope of the recommended alternates is including within Burney and Burney’s base bid total. Upon further evaluation, in comparison with bids received, the base bid plus recommended alternates is 8.8% below the average of bids received.

### Alternatives

The lump sum bid includes the three major scopes of work which should not be postponed due to impacts to the life of the building. These include:

1. The condition of the exterior walls at City Hall, particularly the fiber reinforced stone panels, constitute a potential safety hazard to all who use or visit the building, since the panels themselves are warping and have failed. Thus there is no viable alternative to replacement of the panels.
2. The chillers in City Hall are at the end of their life. There is no viable or less costly alternative to their replacement, as replacement parts are no longer available and

these chillers provide air conditioning for the entire City Hall building. Failure of these units would leave City Hall without air conditioning.

3. The Annex Plaza wearing slab and waterproofing is currently leaking into the parking garage below the plaza, which will deteriorate further over time if not replaced. The waterproofing system is at least 30 years old, and is beyond its useful life.

General Services staff recommends proceeding with construction as proposed, as the only viable alternative.

City Council could decide to eliminate any one or multiple scopes of work for this project. This would only result in delay as the construction documents would need to be revised and the project re-bid. Staff recommends against this alternative as the project is fully funded and has been designed and bid within budget. Not proceeding with all portions of this project would result in further deterioration and exacerbate structural conditions, limit building functionality and impact City operations.

### Financial Impacts

<b>Project Funding CC10A, CC200, CC203, CC210, CC220, CC230, CH295</b>		
2005 GO Bonds	CC200-3301C950	\$1,472.00
2005 GO Bonds	CC203-3301C902	\$167,378.60
2005 GO Bonds	CC200-3301C041	\$161,318.34
2005 GO Bonds	CC10A-3301C041	\$31,593.66
2/3 Bonds	CC200-3301C980	\$274,025.00
CIP Funds	CC210-3301C951	\$621,580.00
CIP Funds	CC220-3301C990	\$950,000.00
CIP Funds	CC230-3301C990	\$580,000.00
CIP Funds	CC210-3301H000	\$987,500.00
CIP Funds	CC210-3301C990	\$2,571,658.00
CIP Funds	CH295-3000H000	\$110,000.00
<b>Total Project Funding</b>		<b>\$6,456,525.60</b>
<b>Funding Uses Summary</b>		
Professional Services-Building	CC10A-3301C041-731003	\$16,338.66
Professional Services-Building	CC200-3301C980-731003	\$274,025.31
Professional Services-Building	CC200-3301C950-731003	\$1,472.00
Professional Services-Building	CC200-3301C041-731003	\$161,318.27
Professional Services-Building	CC203-3301C902-731003	\$148,856.77
Professional Services-Building	CC210-3301C951-731003	\$284,632.99
Professional Services-Building	CH295-3000H000-731003	\$10,000.00
Contract Contingency-Design	CC210-3301C951-731900	\$39,024.00
<b>Total Professional Services and Design Contingency (encumbered)</b>		<b>\$935,668.00</b>
Construction Contract	CH295-3000H000-731000	\$100,000.00
Construction Contract	CC210-3301C990-731000	\$2,254,250.00
Construction Contract	CC210-3301H000-731000	\$888,750.00
Construction Contract	CC220-3301C990-731000	\$855,000.00
Construction Contract	CC230-3301C990-731000	\$522,000.00
Construction Contingency	CC210-3301C990-731900	\$317,408.00

Construction Contingency	CC210-3301H000-731900	\$98,750.00
Construction Contingency	CC220-3301C990-731900	\$95,000.00
Construction Contingency	CC230-3301C990-731900	\$58,000.00
Construction Contingency	CC200-3301C041-731900	\$123,842.00
<b>Total Construction Contract and Construction Contingency</b>		<b>\$5,313,000.00</b>
<b>Total Financial Impact</b>		<b>\$6,248,668.00</b>
Owner Contingency	Various	\$207,857.60
<b>Total</b>		<b>\$6,456,525.60</b>
<b>Funding Uses Total</b>		<b>\$6,456,525.60</b>

\*Owner Contingency will include other owner's expenses such as Printing, Fees, Permits, Surveys, Construction Material Testing, Relocation Expenses and Reviews.

### **SDBE Summary**

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Burney & Burney Construction Co., Inc., Greenville, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 16% and WSDBE 6%. It was determined that Burney & Burney Construction Co., Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

### **M/WBE REQUIREMENTS**

Burney & Burney Construction Co., Inc. will subcontract to the following certified firms:

<b>Firm</b>	<b>ID</b>	<b>City/State</b>	<b>Amount</b>	<b>% of Contract</b>
Steel City Services	MSDBE	Durham, NC	\$684,079	15%
Villanueva Painting*	SDBE	Durham, NC	\$365,682	8%
Pipe Techs Plumbing Technology*	SDBE	Raleigh, NC	\$43,500	1%
Davis Site Service LLC**	WBE	Raleigh, NC	\$173,950	4%

\*Villanueva Painting and Pipe Techs Plumbing Technology are SDBE certified firms with the City of Durham and can therefore be used toward the MSDBE goal.

\*\*Davis Site Services, LLC is a WBE certified firm with the North Carolina Department of Transportation and can therefore be used toward the WSDBE goal.

The MSDBE goal was met and exceeded. The WSDBE goal was not met but Burney & Burney Construction Co., Inc. demonstrated good faith efforts in trying to meet that goal. Subsequent to the bid opening, Burney & Burney Construction Co., Inc. subcontracted with TAPCO Crane & Rigging of Durham, a WSDBE, to do .5% (\$19,650) of the work.

### **WORKFORCE STATISTICS**

The workforce statistics for Burney & Burney Construction Co., Inc. are as follows:

Total Workforce	14	
Total Females	4	29%

Total Males	10	71%
Black Males	10	71%
White Males	0	0%
Other Males	0	0%
Black Females	4	29%
White Females	0	0%
Other Females	0	0%