



MEMORANDUM

To: Mayor and City Councilors

From: Rich Olson, City Manager

Date: June 5, 2013

Re: Consideration – Award of Contract for ECDI Building Renovations and Adoption of Budget Amendment

BACKGROUND:

During the January 28, 2013 City Council meeting, staff requested that money held in an escrow account on behalf of the Parks and Recreation Department be used to renovate the former Mack Sawyer Building, now known as the ECDI Building. The City Council approved a budget amendment for \$135,752. City staff engaged Hyman & Robey to prepare a design bid package and cost estimate for the project.

On April 18, 2013, I wrote a memo to the City Council informing the Council that the project was anticipated to be over budget. On May 17, 2013, the City opened the only bid submitted on the project by A. R. Chesson, which was for \$207,280.

On May 31, 2013, City staff and representatives from Hyman & Robey met with A. R. Chesson to look at several value-engineering ideas to lower the cost of the project.

ANALYSIS:

The A. R. Chesson bid of \$207,280 far exceeds the amount of money that has been earmarked for the bathroom project. Through value-engineering, staff and A. R. Chesson were able to lower the cost of the project by \$40,300, down to \$166,980. To accomplish this, the following changes were made to the A. R. Chesson base bid:

Change	Amount
Waive City impact fees	\$16,800
Waive permit fees	450
Waive bond requirement	1,590
Omit token machine	4,020
Wall hung sink	600
Replace epoxy floor finish with clear finish	950
Paint existing block walls	961
Replace 200 amp service with 150 amp	1,000
Replace tamper resistant light fixtures	1,272
City electrician to wire building	7,000
Design fee decreased	1,857
Allowance for dumpster	1,800
Water Service work by City	2,000
Total	\$40,300

The above reductions do not materially affect the project. Instead of a token machine valued at \$4,020, we have decided to use a punch number system. Boaters would need to pay the Convention and Visitors Bureau or ECDI to be provided with the code to gain access.

Staff did discuss with A. R. Chesson how much we would save by just roughing in the plumbing to the shower area. The savings would be \$5,000. Staff does not believe there was enough savings to delay this improvement.

The City Council originally allocated \$135,752. To date, Hyman & Robey has billed the City \$9,011.25, leaving a funding balance available of \$126,740.75. Although there may be some funding available for the project in the FY 2012-2013 Parks and Recreation budget, staff does not feel comfortable using the operating budget.

The City has a Parks and Recreation Impact Fee account. The money in this account comes from impact fees builders pay on subdivisions. At the present time, the City has \$106,339 in this account. As an example of a past expenditure from this account, the Council authorized staff to utilize approximately \$50,000 to finish the South Park project from this account several years ago. These are restricted funds and can only be used for new recreational facilities, which the ECDI building will be.

Funding for the project would be as follows:

Source	Amount
Escrow Account funds	\$135,752.00
Parks and Recreation Impact Fees	39,239.25
Donation from Committee of 100	1,000.00
Total	\$175,991.25
Expenditures	
Hyman & Robey	\$ 9,011.25
A. R. Chesson	166,980.00
Total	\$175,991.25

The Finance Committee discussed this matter during their meeting held on June 5, 2013 and recommends approval.

STAFF RECOMMENDATIONS:

1. By motion, adopt the attached budget amendment in the amount of \$40,239.25 for the construction of the ECDI Building restrooms; and,
2. Furthermore, award a contract to A. R. Chesson for \$166,980 to renovate the ECDI Building.

RCO/vdw

BUDGET AMENDMENT

BE IT ORDAINED by the City Council of the City of Elizabeth City that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2013:

SECTION I. That the General Fund Recreation Development Fees (103500.6220) be increased by \$39,239.25; the Committee of 100 Donation (103490.6240) be increased by \$1,000.00; and the ECDI Building (106200.7300) be increased by \$40,239.25.

(To record additional funding needed for ECDI Building.)

Joseph W. Peel
Mayor

Dianne S. Pierce-Tamplen, MMC
City Clerk