



MEMORANDUM

To: Finance Committee

From: Rich Olson, City Manager

Date: June 17, 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.

This matter was discussed and voted on during the City Council meeting of June 10, 2013. The vote was 4 – 4, since Mayor Peel was not present to decide the issue. Members of the City Council requested additional information concerning how the project was bid and whether the project should be bid again. Attached is a letter from Sean Robey, which outlines the bid process his firm utilized. Mr. Robey's recommendation is to accept the bid of A. R. Chesson.

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 previously discussed this matter during their meeting held on June 5, 2013 and recommended approval at that time.

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. Further, 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



June 17, 2013

Mr. Richard C. Olson, City Manager
City of Elizabeth City
P. O. Box 347
Elizabeth City, North Carolina 27907-347

Subject: 130059 - Mariner's Wharf Public Restrooms
Discussion of Scope of Work

Dear Mr. Olson,

Pursuant to your request, I am providing the following detail of Hyman & Robey's involvement in the preparation of the Bid Package for the reference subject. If you have any questions or require further information, please advise.

Hyman & Robey was retained to assist with the development of bidding documents for the Mariner's Wharf Public Restroom Project. The format for the bidding of the project was set out to be design build. With a design-build project, project specific information must be provided to the bidders in addition to the typical standard construction contracts and general provisions. In a normal bid process this type of information is communicated in the Contract Drawings. For a design-build project, this information is provided by providing floor plan layouts, specifying wall construction, finishes, fixtures and detailing in written format improvements to plumbing, mechanical and electrical services and components. Once the work is detailed, a cost estimate is prepared and if necessary the scope, fixtures and cost estimate are revised. Most of our work for this project centered around modifying the scope and fixtures to get our cost estimate in line with the available budget.

We began our work by visiting the site to visually inspect the building and measure the available space. The measurements taken indicated that the available space was more narrow than originally thought. Due to the limited space, Hyman & Robey proceeded by preparing several schematic layouts to ensure the space was properly utilized. These layouts were presented to City staff for review. After much discussion, the option that best met the intent of the project was chosen.

During the site visit, we noted there was no hot water available in the building and the existing HVAC unit above the ceiling was in a location that would prevent the ability to raise the ceiling to a sufficient height for the public space. We hired Mr. Rich Klein, PE of Coastal Engineering to provide an evaluation of the existing electrical and mechanical equipment in the building. His inspection indicated the HVAC and electrical systems were not sufficient to support the change in use. He prepared a description of work necessary to provide sufficient ventilation and electrical upgrades that were included in the design-build documents.

The plumbing fixtures and accessories initially chosen by City staff were all stainless steel and vandal resistant. These types of fixtures are common in public projects and help reduce maintenance costs associated with vandalism and wear and tear due to heavy public use. To ensure that all contractors would provide bids using the same fixtures, Hyman & Robey researched the fixtures and prepared detailed specifications for these fixtures while attempting to collect pricing data for them. Once all cost were assembled for the initial scope of the project, we realized that we were over budget. The initial funding did not include upgrading the electrical service or improvements to the incoming domestic water service. These cost needed to be offset by changing the fixture specifications. We again met with staff and worked through substituting plumbing fixtures, floor coverings, wall sections, wall finishes and hardware. Of the items substituted, the change of the stainless steel fixtures provided one of the largest cost savings. Others involved a change in the type of epoxy finish applied to the concrete floor.

Once we balanced the scope of work with the cost estimate, we completed the bid documents an Advertisement for Request for Proposals was released. The ad was run in the Daily Advance legal ads and we emailed it directly to seven contractors (Revelle Builders, Sussex Development, AR Chesson

Mr. Richard C. Olson
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Construction, Godfrey Construction, George Raper & Sons, Inc., Stocks & Taylor, and Wimco. Only three contractors (Sussex, Godfrey and AR Chesson) requested the full set of RFP documents. Of those three, only one chose to submit a proposal for the project. This project did not require the receipt of three bids due to the fact that it was an informal bid and under \$300,000.

Remodeling projects do not have the following of Contractors that new construction does. The work is not straight forward and requires heavy supervision by a project manager. The contractors we solicited perform a reasonable amount of commercial remodeling work, but the overall dollar value of the project was not large enough to warrant several to mobilize for this project. We discussed the project with Sussex and had early indications that the project was too small for them to mobilize.

Another aspect of the project that sometimes can limit the number of responses is the design build element. The project was bid as design build to provide a cost savings. Design fees for this project could have easily exceeded \$20,000 for a full design. To date Hyman & Robey has invoiced just over \$8000 including the fees paid to Coastal Engineering.

We believe that the recent closing of JBI Construction in the local area will have a temporary effect of causing General Contractor pricing of projects in this dollar amount to go up. We feel this will happen due to the lack of competition. To the best of our knowledge, there have been no other Contractors take interest in the potential re-bidding of this project.

Following the bid opening, Hyman & Robey along with City staff met with AR Chesson personnel and worked through a price reduction which was presented to council. We feel that AR Chesson presented a good faith effort in providing cost savings and that the compromises presented did not injure the overall quality of the project. At the present time, we do not feel that re-advertising the project will result in a significant cost savings.

Regards,



Sean C. Robey, PE