

**Item Title:** Approval of Construction Contract with Construction Manager for the Oak City Multi-Services Center

**Specific Action Requested:**  
**That the Board of Commissioners:**

- 1. Approves Guaranteed Maximum Price (GMP) #1 Contract in the amount of \$7,628,799 with the previously selected Construction Manager at Risk, Gilbane Building Company for building construction work for the Oak City Multi-Services Center.**
- 2. Authorizes the Chairman to execute contract documents with Gilbane Building Company establishing the terms, conditions, and GMP #1 amount of \$7,628,799; Said contract documents to be reviewed and approved by the County Attorney.**
- 3. Appropriates \$2,450,000 of unallocated ABC revenues for construction of the project.**
- 4. Accepts and appropriates \$180,000 in donations secured through the 13<sup>th</sup> Annual Enloe Charity Ball, per Resolution adopted by the Board on January 2, 2018.**

**Item Summary:**

On March 20, 2017, the Board of Commissioners approved the purchase of a 4.2- acre site at 1430 S. Wilmington Street, Raleigh, NC, adjacent to the South Wilmington Street Center. On June 19, 2017, the Board approved schematic design to renovate the existing warehouse building on this property into a Human Services Multi-Services Center. Finally, on July 17, 2017, the Board approved the selection of Gilbane Building Company as Construction Manager at Risk ("CMAR"), to provide preconstruction services and management of construction of the project.

The proposed Project will include complete renovation of an existing 28,900 SF building, into a new Multiservices Center, including 20,300 SF of programmed space. The project, to be known as Oak City Center, addresses an initiative under the Board Goal of Social & Economic Vitality, originally established in 2016, to "Work in partnership with the City of Raleigh and other municipalities and the Partnership to End Homelessness to develop a multiservice center for the homeless that will function as a point of entry for professional coordinated assessment of homeless needs." Catholic Charities and the Partnership to End and Prevent Homelessness will operate services at the facility, and more potential groups have also expressed interest in participating.

Since schematic design approval last year, the scope of the project has expanded to include an outdoor pavilion and family recreation area, larger mechanical area with an opportunity to interconnect the building systems with the adjacent South Wilmington Street Center, and further upgrade of the roof and electrical system to accommodate a future solar photovoltaic system. In addition, more extensive utility relocations, municipal site permitting requirements and municipal impact fees were required. Finally, additional concealed conditions were uncovered that require repair. These items collectively increased the project cost.

On February 28, 2018, construction bids were accepted by the CMAR for the major renovation packages, to be known as GMP #1. While the majority of bid packages were opened on that date, there were several bid packages with an insufficient number of bidders. Therefore, in accordance with State statutes, these packages were rebid on March 14 and March 21, 2018.

As experienced with the bids for recent county library projects, as well as public projects throughout the Triangle and the state of North Carolina, there continues to be extensive pressures on construction budgets due to extreme cost escalations in the construction market. While this is normally a very feasible adaptive reuse project, by its very nature, a renovation is more complex and therefore less appealing to subcontractors in this extremely busy environment. As such, in spite of a comprehensive bidder prequalification process and extensive contractor outreach conducted by the CMAR, there were still eight (8) bid packages with only one or two bidders. This reduced competition contributed to high bid pricing that exceeds the original budget.

Staff together with the construction manager and design team underwent an extensive value engineering process to lower the cost of the project. After careful consideration, County staff selected items resulting in a reduction of \$341,718. However, this still results in a significant shortfall. The design team, construction manager and County staff concluded that without reducing the renovation area within the facility, lessening the quality of materials, lowering energy efficiency goals or compromising functional/programmatic goals for the project, the original budget for construction cannot be met, and more funds will be necessary. Therefore, staff requests that an additional \$2,450,000 in unallocated ABC revenues be appropriated for this project. A summary of the ABC fund balance is attached.

There are multiple funding sources for this project. The City of Raleigh previously contributed \$3,148,000. In addition, on January 2, 2018, the Board passed a resolution recognizing the student-led Enloe High School Charity Ball and the donations of \$180,000 secured for the project. Staff requests that this donation be accepted and appropriated as a funding source for the project. A summary of Funding Sources is shown below:

<b>Oak City Multiservices Center Funding Sources</b>	
County ABC Funding – 2017 Appropriation	\$2,675,000.00
County Affordable Housing Fund	\$1,863,000.00
City of Raleigh	\$3,148,000.00
Previous Reallocation from Project Savings	308,000.00
<b>County ABC Funding – Additional Appropriation</b>	<b>\$2,450,000.00</b>
<b>Donation Proceeds from Enloe HS Charity Ball</b>	<b>\$180,000.00</b>
<b>TOTAL</b>	<b>\$10,624,000.00</b>

The proposed GMP contract amount is \$7,628,799. The GMP contract award amount is based upon the lowest responsive bids received from trade contractors, general conditions costs, CMAR contingency (2%), and CMAR fee (3.25%), as well as previously referenced value engineering credits. Minority contractor participation is approximately 18.1% of the GMP contract amount for the project. Reference the attachments for breakdown of the CMAR contract, trade contractor bid tabulations, and listing of minority participation by trade contract.

In order to expedite the project, an informal contract was previously awarded for demolition, hazardous material abatement and preliminary site utility preparations. That contract was awarded as GMP 1-A in the amount of \$493,425. Construction is now underway with that portion of the work. Total Construction Cost, consisting of the combination of previously awarded GMP 1-A, and this GMP-1 contract is \$8,122,224. A Project Cost Summary is attached.

Construction of work contained in this GMP package will begin in May. A Groundbreaking Ceremony is scheduled for June 20, 2018, at 9 am. The facility is expected to be operational early in 2019.

**Attachments:**

1. Power Point Presentation
2. Project Cost Summary
3. Construction GMP # 1 Cost Summary
4. Bid Package Tabulation – (25 Bid Packages)
5. Minority Participation Report (by trade contract)
6. Budget Memo – FY 2018 Transfers
7. Budget Memo – FY 2018 Capital Fund – County Buildings Element
8. Summary of ABC Fund Balance – 4/16/18
9. Copy of Enloe Charity Ball Resolution – 1/2/18