



Legislation Text

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TO: Mayor and Members of City Council

THRU: Adam Lindsay, Assistant City Manager

FROM: Robert Stone, Interim Construction Management Director
Michael Gibson, Parks and Recreation Director
Jay Toland, Chief Financial Officer / Assistant City Manager
Kelly Olivera, Budget and Evaluation Director

DATE: September 13, 2021

RE:
Adoption of Capital Project Ordinance Amendment 2022-33 to Appropriate Bond Premium Proceeds to the Dorothy Gilmore Therapeutic Recreation Center Project and Award the Contract for General Construction to Msquare Construction, Inc.

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal 4 - The City of Fayetteville will be a highly desirable place to live, work and recreate with thriving neighborhoods and a high quality of life for its citizens.

Executive Summary:

Council is asked to adopt Capital Project Ordinance Amendment 2022-33 to appropriate \$475,000 of bond premium funding to the Dorothy Gilmore Therapeutic Recreation Center project and to award the contract for the general construction to Msquare Construction, Inc., the lowest responsive, responsible bidder.

Background:

On March 15, 2016, Fayetteville voters passed a \$35 million bond referendum for parks and recreation projects. On November 26, 2018, City Council approved a revised schedule of project funding. On November 23, 2020, appropriation actions were adopted to more closely align appropriations with Council's revised plan as approved at the November 2, 2020 work session. Cromwell Architects provided the final construction drawings for an addition and renovations to the Dorothy Gilmore Therapeutic Recreation Center. To date, \$400,000 has been appropriated for the addition and renovations to the Center.

The project was advertised to the general public consistent with North Carolina law, and a voluntary pre-bid meeting took place on site July 13, 2021. On August 5, 2021, the City opened bids from

General Contractors, and accepted three bids for the construction of a 3,000 square foot addition and renovations to the existing building. All bids included a 5% bid bond, acknowledgement of the City's Small Disadvantaged Business Enterprise program and addenda as well as the appropriate required signatures.

Currently, expenditures to the project include staff time and the Architectural / Engineering contract encumbrances totaling \$82,620. The total amount available in the project for construction is \$317,380.

The cost for addition and renovations are:

A.	Building addition and existing renovations	\$743,416 ⁽¹⁾
B.	Construction contingency (5%)	\$37,170
C.	City supplied items (IT, furniture, blinds, landscaping)	<u>\$12,000</u>
	Total	\$792,586

The construction cost for the project is \$792,586 (listed above) which includes a 5% contingency. Using the remaining unspent amount of \$317,380, the needed amount to complete the project is projected to be \$475,000. This increases the total appropriation for the project to \$875,000.

⁽¹⁾ Lowest responsible bid given on 8/5/2021 which includes the building addition and the three alternatives for renovations to the existing building.

The low bid of \$743,416 for the building addition and renovations was submitted by Msquare Construction, Inc., License #84320 from Fayetteville, North Carolina. All three alternates are included in the bid.

Issues/Analysis:

Based on the latest bids received, the project cannot be completed from the approved funding. This is due in part to the rapid increase of material and labor costs experienced over the year.

Not providing additional funds for the renovation of the Dorothy Gilmore Therapeutic Recreation Center would reduce the ability for the center to service the community. Construction of the addition and renovations to the existing building at a later date would be expected to result in higher costs due to rapidly increasing material and labor prices.

Budget Impact:

There is no impact to the General Fund. The requested increase to the project appropriation is funded by bond premium funds.

Options:

1. Adopt Capital Project Ordinance Amendment 2022-33 to appropriate the funds needed for the construction of the Dorothy Gilmore Therapeutic Recreation Center project, and award and authorize the City Manager to execute a contract with the lowest responsive, responsible

bidder, Msquare Construction, Inc., in the total amount of \$743,416.

2. Do not adopt Capital Project Ordinance Amendment 2022-33 or award the contract and provide further direction to staff.

Recommended Action:

Staff recommends that Council move to adopt Capital Project Ordinance Amendment 2022-33 as presented and approve the contract award authorizing the City Manager to execute the contract with the lowest responsive, responsible bidder, Msquare Construction, Inc., in the total amount of \$743,416.

Attachments:

Bid Tab - Dorothy Gilmore Therapeutic Recreation Center.pdf
Capital Project Ordinance Amendment 2022-33