



Date: April 17, 2018

To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Steven W. Hicks, Director, General Services Department
Subject: Construction Services with Riggs-Harrod Builders, Inc. for the Solid Waste Management Annex and Truck Wash Project

Executive Summary

In 1960, the Solid Waste Management (SWM) annex building was built as the department's main office. The facility is still in use by the collections staff and is in need of many repairs. This project is a renovation of the existing 7,368 square foot (sf) facility with the addition of a new truck wash system. An assessment of the building showed the facility to be structurally sound and showed that a renovation, including an automatic truck washing station, would be more cost effective than a demolition option.

Recommendation

The General Services Department recommends City Council approval of the following motions:

To authorize the City Manager to negotiate and execute a Construction contract with Riggs-Harrod Builders, Inc. for the Solid Waste Management Annex & Truck Wash Project not to exceed a maximum cost of \$1,891,819.00; and

To establish a contingency in the amount of \$189,182.00; and

To authorize the City Manager to negotiate and execute change orders on the Solid Waste Management Annex & Truck Wash contract, provided the cost of all change orders and the original contract does not exceed the total project cost of \$2,081,001.00.

Background

The SWM Annex has been used continuously since initial construction in 1960, and has only received minimal repairs. The building is used today as an office and break area by the collections staff and also houses the truck washing accessory equipment. The renovation project work includes exterior envelope repairs, replacement windows, interior demolition, new interior finishes, site improvements, a new roofing system, and replacement of the mechanical, electrical and plumbing systems. The exterior truck wash station on the site will be replaced with a new 1,722 sf truck wash addition and associated truck wash equipment. The new truck wash system is an enclosed, automatic drive-thru facility.

Through multiple phases in FY2016 - FY2018, the Capital Improvement Plan budgeted \$2,775,000.00 to renovate the Solid Waste Management annex building, truck wash station, and SWM transfer station ramp. The SWM transfer station ramp improvements were completed in 2017.

Following an RFQ process through the City's Small Local Business Enterprise (SLBE) program, RND Architects, PA was contracted for an assessment, feasibility study, cost estimates and full design services for the renovation of the SWM annex building and truck wash station. Utilizing this feasibility study, Project Management evaluated 3 construction options: 1) Full renovation of the existing annex building; 2) A partial demolition and partial renovation of the existing building; or 3) Construction of a new, smaller building and complete demolition of the existing one. All options included a new truck wash system. It was recommended that the full renovation of the existing facility would be the most cost effective and viable option.

The SWM Annex and Truck Wash project was advertised publicly and six bids were received on January 25, 2018. The bid results are as follows:

Company	Base Bid
ACH Constructors, LLC	\$1,095,000.00*
Bar Construction Company, Inc.	\$2,049,000.00
Bordeaux Construction Company, Inc.	\$2,009,000.00*
Central Builders, Inc. of Mebane	\$2,538,000.00
C.T. Wilson	\$2,856,261.00
Riggs-Harrod Builders, Inc.	\$1,891,119.00

*Note: The bidder's bid is deemed non-responsive.

The lowest, responsive, responsible bid was submitted by Riggs-Harrod Builders, Inc. at \$1,891,119.00. The General Services Department recommends accepting bid Alternate 1A for a preferred brand toilet and lavatory accessories for \$700.00, for a total contract value of \$1,891,819.00.

Next steps anticipate milestones for construction activities include:

7/1/2018	Notice to proceed to Construction
8/1/2018	Permitting and submittal review
2/18/2019	Substantial Completion

Issues and Analysis

SWM annex and truck wash system is over 25 years old and has had frequent repairs. It was determined that the existing roof, equipment and truck wash needed replacement. An assessment was performed in the Design Development phase that indicated roofing problems, drainage issues, and that replacement of flooring, ceiling, windows, and electrical, mechanical and plumbing systems were needed. However, the structural system and exterior walls were found to be in good shape.

A hazardous material test revealed that asbestos containing materials and lead-based paint are present in the facility. Asbestos and lead-based paint abatement associated costs are included in the construction bid.

Alternatives

General Services staff recommends proceeding with the construction contract as the only viable alternative. An alternative would be to not proceed with the project. Staff recommends against this, as the project addresses priority renovation needs based on an assessment and a

feasibility study. Another alternative would be to demolish the building and build a replacement facility. This is not recommended, as it was a higher cost option.

Financial Impact

Funds for this project are currently budgeted and available as follows:

FUNDING SOURCES

CIP Misc. Debt \$2,775,000.00

Total Revenues \$2,775,000.00

PROJECT COSTS

Design Services	\$277,717.00
Design Contingency	\$25,257.00
Transfer Ramp Construction Services (2017)	\$98,220.00
Annex & Truck Wash Construction Services	\$1,891,819.00
Annex & Truck Wash Construction Contingency	\$189,182.00
Furniture/Equipment	\$50,000.00
Permits, Fees, Testing	\$70,000.00
Other Owner's Expenses	\$172,805.00
Total Expenditures	\$2,775,000.00

Equal Business Opportunity Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Riggs-Harrod Builders, Inc. of Durham, NC to determine compliance with the Ordinance to promote Equal Business Opportunities in City Contracting. The goals for this project are MUBE 11% and WUBE 7%. It was determined that Riggs-Harrod Builders, Inc. was not in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

UBE REQUIREMENTS

Riggs-Harrod Builders, Inc. will subcontract to the following certified firms:

Firm	ID	City/State	Amount	% of Contract
Waspco Corporation	WUBE	Durham, NC	\$14,000.00	.7%
Floorchem Inc.	WUBE	Raleigh, NC	\$14,246.00	.7%
Division 9 Painting	MUBE	Youngsville, NC	\$25,000.00	1.2%
Triangle Cleaning	MUBE	Raleigh, NC	\$1,450.00	.07%

The MUBE and WUBE goals were not met and Riggs-Harrod Builders, Inc. failed to demonstrate a good faith effort in trying to meet the MUBE and WUBE goals.

After the bid opening, Riggs-Harrod Builders, Inc. submitted the following participation:

Firm	ID	City/State	Amount	% of Contract
Blankenship Associates	WUBE	Raleigh, NC	\$9,621.00	.05%
Johnson Concrete Products	WUBE	Salisbury, NC	\$28,774.00	1.5%
AOA Signs, Inc.	WUBE	Yadkinville, NC	\$959.02	.05%

Following an appeal hearing, it was determined that Rigs-Harrod had not demonstrated a good faith effort, but it was in the best interest of the City of Durham to approve their bid.

WORKFORCE STATISTICS

Total Workforce:

Employment Category	Total Employees	Total Males	Total Females
Project Manager	5	5	0
Professional	0	0	0
Technical	0	0	0
Clerical	4	1	3
Labor	25	24	1
Total	34	30	4

Male:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	5	0	0	0	0
Professional	0	0	0	0	0
Technical	0	0	0	0	0
Clerical	1	0	0	0	0
Labor	11	3	10	0	0
Total	17	3	10	0	0

Female:

Employment Category	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	0	0	0	0	0

Professional	0	0	0	0	0
Technical	0	0	0	0	0
Clerical	1	2	0	0	0
Labor	1	0	0	0	0
Total	2	2	0	0	0

Attachments

Attachment A - Construction contract

Attachment B - Vicinity map