



**Date:** November 21, 2022

**To:** Wanda S. Page, City Manager  
**Through:** Bertha T. Johnson, Deputy City Manager  
**From:** Jina B. Propst, Director, General Services Department  
**Subject:** Design-Build Services with Monteith Construction Corp. for Fire and EMS Station 19

**Executive Summary**

Review and analysis of Durham Fire service in the Southern part of the County reveals rapid population growth and an increase in calls for service while the existing Fire Station structure is outdated. With these twin considerations, the Durham Fire Department, will be constructing a new Fire Station 19 located at 31 Davis Drive to better serve this area.

In accordance with the City-County Inter-Governmental Agreement for Consolidation of Fire Services, Durham County Emergency Medical Services (EMS) will partner with the City to co-locate EMS services at the same new Station 19. To financially support their portion of the new station, Durham County will provide 27% of the design, pre-construction and construction costs in accordance with the City-County Inter-Governmental Agreement for Consolidation of Fire Services in the Durham County Fire Service District.

A Request for Qualifications for Design-Build Services was advertised on August 5, 2021 with eight submittals received. The interview committee scored each team and determined Monteith Construction Corp. paired with Davis Kane Architects the top ranked team. General Services team members have negotiated an acceptable fee within the project's budget.

Fees include funds to pilot this project as the City's first new construction since the adoption of the Carbon Neutrality and Renewable Energy Action Plan. As part of the design/pre-construction phase of the project, the project team will utilize a sustainability consultant to identify, evaluate and quantify return on investment of high performance building systems to reach or approach carbon neutrality and enhanced sustainability.

The design/pre-construction phase of the proposed design-build contract being considered will be completed in two stages. Stage one, at \$509,900, will include site investigations, thirty percent design and high performance building systems evaluation. Upon completion of stage one the City will evaluate the return on investment related to its enhanced sustainability and carbon neutrality goals to determine which systems will be included in the final design. Stage two will incorporate all or some of the high performance building system components based on the stage one evaluation. If all components are accepted, the stage two cost would be \$541,250, which includes remaining design services, incorporating high performance building systems and preparation and submittal of the proposal for construction. Should the City decide not to move forward with some or all of the evaluated high performance building systems, the contract will be amended to reduce the stage two scope and fee accordingly.

## **Motion**

To adopt the resolution finding that the use of a Design-Build project delivery method for the Fire and EMS Station 19 project is in the best interest of the City;

To authorize the City Manager to negotiate and execute a design-build contract with Monteith Construction Corp. for the design/pre-construction phase of the Fire and EMS Station 19 project in an amount not to exceed \$1,051,150;

To establish a contingency fund for the contract in the amount of \$200,000; and

To authorize the City Manager to negotiate and execute amendments to the design-build contract with Monteith Construction Corp. so long as the total contract cost for the design/pre-construction phase does not exceed \$1,251,150.

## **Background**

The current Durham Fire Station 19 is located at 4716 Old Page Road, off South Miami Boulevard close to Interstate 40. Constructed in the early 1980's the station is leased from Durham County. The single-story structure is outdated, insufficient in size for current and future operational duties, and lacks sufficient space for growth. The proposed Fire and EMS Station 19 will be a 15,000 square foot, modern facility based upon the current prototype developed for Fire and EMS Station 18. The new station will site will be within Research Triangle Park (RTP) located on the corner of Davis Drive and NC-54. The new facility will serve as an operational base supporting the relocated Fire Department, and a new platform for the County EMS.

The prototype design will be modified in response to progressive design goals of RTP as a high tech business and industrial development area and the Carbon Neutrality & Renewable Energy Action Plan adopted by the City in 2021. The Design-Build contract being considered requires analysis of energy and water conservation measures, renewable energy building systems, and will produce building performance models to quantify potential energy savings and further align with the City's draft High Performance Building Policy.

In accordance with North Carolina General Statutes, the General Services Department prepared written criteria demonstrating why the design-build method is the most appropriate project delivery method for this project. The Design-Builder, as a part of its design and preconstruction services, will assist with developing a strategy for the best approach for the successful completion of the project including guidance and assistance in the preparation of a schedule and a reliable, preliminary cost estimate along with evaluations of any value engineering measures. Once the Design-Builder has completed the design/pre-construction phase of the project, it will prepare and submit to the City a proposal for construction of Fire and EMS Station 19 with a Guaranteed Maximum Price (GMP) for construction services.

The Request for Qualifications for Design-Build Services was advertised on August 5, 2021. A pre-submittal conference was held on August 17, 2021, and eight written submittals were received on September 8, 2021. Three Design-Build teams: Monteith Construction Corp. with Davis Kane Architects; Bordeaux Construction w/Moseley Architects; and SAMET Corporation with ADW Architects were shortlisted and interviewed on November 10, 2021 by an interview committee comprised of General Services, Durham Fire Department, County EMS and Finance Department staff. The interview committee scored each team and determined Monteith Construction Corp. w/Davis Kane Architects the top ranked team.

Monteith scored well during their interview, and brought to the process significant experience in municipal and Fire & EMS facility design. Also noted was their focus on budget, construction costing and delivery on schedule, as well as the strength of their overall design team.

The site selected for the new Station was donated to the City by Fidelity Investments, Inc. The 3.84-acre site has been zoned SRP-C (Science Research Park) for Commercial/Office Use. A Phase I site assessment has been completed identifying no adverse issues preventing development. The deed was signed and recorded in September 2021.

### **Issues and Analysis**

The new Fire & EMS Station 19 is a critical public safety project, one that is necessary to provide proper Fire Department and EMS response times in an area of the City experiencing rapid growth. The current Fire & EMS Station 19 is an older, outdated building, leased from Durham County. Built in the early 1980's as a volunteer fire station, the building is outdated as a platform for current station requirements. As Fire accreditation and service requirements have increased, the building's limitations continue to hinder staff readiness. Due to its age and limited site, the building is deficient in every aspect as a support platform for Fire and EMS operations. Review and analysis show a new, relocated station is the only viable option.

The design-build approach streamlines project delivery in that the design-builder is obligated to provide both design (architectural and engineering) and construction services for the project under one contract. Establishing this single point of responsibility offers several advantages, including greater protection from design errors and omissions, the opportunity for a shortened project timeframe, reduction in the number of change orders and overall reduced cost.

The City of Durham intends to utilize best commercial practices to accomplish the goals of this project. The General Services Department expects the Design-Builder to proactively address risks and challenges in the process and participate in improvement activities to achieve project success. The City also expects to work with the Design-Builder to devise and implement appropriate processes for this project that will maximize efficiency, overall quality, cost savings and efficiencies. Ongoing consideration will be given to any maximum budget figures that must be adhered to in order to promote flexible, appropriate decision making as the project progresses. As the sole responsible source for total project compliance and design and construction performance, the Design-Builder will hold all design professionals, testing services (with the exception of Materials/Special Inspections and Commissioning services by Owner), trade contractors and trade supplier contracts.

Specific anticipated advantages of utilizing Design-Build project delivery include:

- Expedited construction project delivery, keeping the project on time and within budget without sacrificing quality.
- Effective use of a prototype design which minimizes the scope for architectural services enabling more of the project's funds to be allocated directly to physical improvements in construction of the facility.
- Having the architect and contractor closely working together as a team for the duration of the project which streamlines the project schedule and reduces coordination risk and cost estimation gaps.
- Reducing the overall project time frame which minimizes the effect of price escalation that would occur during construction.
- Within the General Services Department's Project Management Division, the City has professional and experienced personnel to ensure that the Design-Builder will provide a quality project within the budget constraints established by Council and in compliance with the North Carolina General Statutes for design-build project delivery.

- The City has an established and successful M/WBE program which ensures that the Design-Builder will comply with the M/WBE goals set by Council for both design, construction and sustainability expertise.

Approval of the Design-Build contract will permit the Design-Builder to proceed with preconstruction and concept design services with a 90-day duration. Following the design/pre-construction phase, the Design-Builder will present a Guaranteed Maximum Price for approval by the City, in order to execute a final Design-Build contract amendment. Construction is anticipated to begin in March 2023, with a duration of twelve months.

### Alternatives

Council could reject the proposed contract and direct General Service staff to renegotiate. They could also reject the Design-Build team selection, and direct General Services staff to re-advertise the project. No alternative construction sites are available within the operational area served by the station that would not require purchase by the City. The area continues to see both residential and commercial development intensify as density increases. The current station is leased by the City and lacks sufficient space for renovation or expansion.

Delaying the planned new construction is not recommended. The City would be forced to continue leasing a substandard facility, while Fire and EMS staff continue serving the public from buildings lacking sufficient support for continually expanding operational duties.

Delaying the project will also result in increased expense not only in escalating construction costs, but in maintenance of the existing leased building. Construction of a new station is recommended using the selected Design-Build team.

### Financial Impact

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

| Funding Sources            |                      |
|----------------------------|----------------------|
| CIP FY 2020 Debt Financing | \$ 1,600,000         |
| CIP FY 2022 Debt Financing | \$ 950,000           |
| CIP FY 2023 Debt Financing | \$ 8,461,000         |
| <b>Total Revenues:</b>     | <b>\$ 11,011,000</b> |

| Projected Costs                                    | City of Durham      | Durham County       | Total                |
|--|---------------------|---------------------|----------------------|
| FF&E   | \$ 172,500          | \$ -                | \$ 172,500           |
| Public Art   | \$ 100,000          | \$ -                | \$ 100,000           |
| CIP Professional Services <sup>1</sup>             | \$ 902,280          | \$ 333,720          | \$ 1,236,000         |
| Construction                                       | \$ 6,606,500        | \$ 2,443,500        | \$ 9,050,000         |
| Project Contingency (Design & Const.) <sup>2</sup> | \$ 330,325          | \$ 122,175          | \$ 452,500           |
| 9% Additional County Cost Share <sup>3</sup>       | \$ (730,044)        | \$ 730,044          | \$ -                 |
| <b>Total Expenditures:</b>                         | <b>\$ 7,381,561</b> | <b>\$ 3,629,439</b> | <b>\$ 11,011,000</b> |

### Notes:

1. \$1,051,150 available from 3000B000-731003-CB019 "CIP Professional Services".
2. \$200,000 available from 3000B000-731900-CB019 "Project Contingency".
3. "9% Additional County Cost Share represents the portion of service area outside the city limits.

### Equal Business Opportunity Summary

The Finance Department reviewed the proposal submitted by Monteith Construction of Raleigh, NC, Davis Kane Architecture of Raleigh, NC and Alantec Engineers PA of Raleigh, NC. It was determined that they are in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

### UBE Requirements

The assigned goals are Minority 8% and Women 6%. The MUBE goal was exceeded while the WUBE goal was met.

Monteith/Davis Kane/Alantec Engineering will subcontract the following:

| Firm                | ID   | City/State  | Amount   | %of Contract |
|---------------------|------|-------------|----------|--------------|
| Stewart Engineering | MUBE | Raleigh, NC | \$93,250 | 11.57%       |
| Lynch Mykins        | WUBE | Raleigh, NC | \$48,300 | 6.00%        |

### Contractor Workforce Diversity & Hiring Practices

According to the contractor’s responses to the “Contractor Workforce Diversity Questionnaire,” the contractor is a large employer (over 100 employees) consisting of mostly professional/skilled workers. The contractor believes it has a diverse workforce because “The construction industry employs overall about 11% women, with an 88% White workforce according to the Bureau of Labor Statistics. Overall, we understand that the industry itself has a long way to go. However, as a company, we have not only made strides toward becoming a more diverse workforce within Monteith Construction but have also worked toward becoming a more inclusive workplace and space. We have over double the average number of women as compared to the industry, including at all levels of the organization. We have a 76% White workforce with 24% who self-identify as Asian, Black, or Hispanic. This is a reflection of putting a focused effort into diversifying our candidate pools, recruitment strategies, and taking the time to educate those in leadership and involved in the hiring process. Though we recognize that we have work to do, the composition of the company as continued to change in a way that has been intentional, has added diverse voices, and has been the best business decision as we have grown.” The contractor did list many examples of efforts it makes to have a more diverse workforce.

### Part A – Employee Diversity Breakdown Table for Primary Location

| Employment Category | Total Employees | Total Males | Total Females | M-----a-----l-----e-----s |       |          |                           |                          | F---e-----m-----a-----l-----e-----s |       |          |                           |                          |
|---------------------|-----------------|-------------|---------------|---------------------------|-------|----------|---------------------------|--------------------------|-------------------------------------|-------|----------|---------------------------|--------------------------|
|                     |                 |             |               | White                     | Black | Hispanic | Asian or Pacific Islander | Indian or Alaskan Native | White                               | Black | Hispanic | Asian or Pacific Islander | Indian or Alaskan Native |
| Project Manger      | 5               | 5           | 0             | 4                         | 1     | 0        | 0                         | 0                        | 0                                   | 0     | 0        | 0                         | 0                        |
| Professional        | 29              | 22          | 7             | 22                        | 2     | 2        | 1                         | 0                        | 3                                   | 3     | 0        | 1                         | 0                        |
| Labor               | N/A             | N/A         | N/A           | N/A                       | N/A   | N/A      | N/A                       | N/A                      | N/A                                 | N/A   | N/A      | N/A                       | N/A                      |
| Clerical            | N/A             | N/A         | N/A           | N/A                       | N/A   | N/A      | N/A                       | N/A                      | N/A                                 | N/A   | N/A      | N/A                       | N/A                      |
| Totals              | 34              | 27          | 7             | 26                        | 3     | 2        | 1                         | 0                        | 3                                   | 3     | 0        | 1                         | 0                        |

Part B – Employee Diversity Breakdown for the Consolidated Company

| Employment Category | Total Employees | Total Males | Total Females | M-----a-----l-----e-----s |       |          |                           |                          | F-----e-----m-----a-----l-----e-----s |       |          |                           |                          |
|---------------------|-----------------|-------------|---------------|---------------------------|-------|----------|---------------------------|--------------------------|---------------------------------------|-------|----------|---------------------------|--------------------------|
|                     |                 |             |               | White                     | Black | Hispanic | Asian or Pacific Islander | Indian or Alaskan Native | White                                 | Black | Hispanic | Asian or Pacific Islander | Indian or Alaskan Native |
| Project Manger      | 14              | 12          | 2             | 11                        | 1     | 0        | 0                         | 0                        | 1                                     | 0     | 1        | 0                         | 0                        |
| Professional        | 102             | 74          | 28            | 61                        | 6     | 2        | 5                         | 0                        | 17                                    | 4     | 4        | 3                         | 0                        |
| Labor               | N/A             | N/A         | N/A           | N/A                       | N/A   | N/A      | N/A                       | N/A                      | N/A                                   | N/A   | N/A      | N/A                       | N/A                      |
| Clerical            | N/A             | N/A         | N/A           | N/A                       | N/A   | N/A      | N/A                       | N/A                      | N/A                                   | N/A   | N/A      | N/A                       | N/A                      |
| Totals              | 116             | 86          | 30            | 72                        | 7     | 2        | 5                         | 0                        | 18                                    | 4     | 5        | 3                         | 0                        |

**Attachments**

- Resolution – Approving Design-Build Delivery Contract
- Contract – Design-Build Agreement
- Site Sketch – F&EMS Station 19
- Prototype Floor Plan – F&EMS Station 19
- Contractor Workforce Diversity Questionnaire