

City Council – Action Request Form

Date: February 14, 2022

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Aaron King, Assistant City Manager
Robert Prestwood, Engineering
Shantell McClam, Purchasing Director

Council Action Requested:
Resolution Awarding Construction Contract for Fire Station 3 Replacement (Northeast Ward)

Strategic Focus Area: Safe and Secure Community
Strategic Objective: Improve Public Safety Service Quality
Strategic Plan Action Item: Yes
Key Work Item: Yes



Summary of Information:

The City advertised bids for construction of a new fire station, a 2018 G.O. Bond project. The scope of work includes grading, erosion control, storm drainage and detention areas, 20-space asphalt parking lot, concrete drive and walks, water and sewer lines, trees and landscaping, and demolition of both the existing firehouse and rescue building. The new 12,472 sq. ft. brick station will have two apparatus bays, living quarters and bathrooms, offices, kitchen, laundry, exercise, equipment and storage rooms. The bid contained eight add alternates and one deduct alternate.

Bids were received on December 7, 2021, with a summary of bids as follows:

	<u>City/State</u>	<u>Base Bid</u>	<u>Deduct Alternate G5</u>
KMD Construction, LLC	Salisbury, NC	\$4,497,000	(\$67,000)
Holden Building Company, Inc.	Greensboro, NC	4,510,000	(35,000)
Msquare Construction, Inc.	Fayetteville, NC	4,535,000	5,000
Bar Construction Co., Inc.	Greensboro, NC	4,887,000	(67,000)
Central Builders, Inc. of Mebane	Haw River, NC	4,910,000	(67,200)

The low bidder, KMD Construction, LLC submitted subcontracting goals less than those established for this project of 11% with minority-owned businesses and 6% with women-owned businesses. Therefore, pursuant to the City's M/WBE Policy, the Citizen's M/WBE Advisory Committee met to review and consider all documentation of the bidder's good faith efforts which follow this resolution.

Committee	Finance 2/14/22	Action	Approval
	Public Safety 2/14/22		
For	Unanimous	Against	
Remarks:			

N.C.G.S. 143-128.2(f) requires a contractor to accumulate a minimum of 50 out of 100 points to demonstrate a Good Faith Effort. In addition to the point system, state legislation explicitly lists the efforts required by a contractor. A contractor must accumulate a minimum of 115 out of 180 points to demonstrate a Good Faith Effort which was established pursuant to authority granted by the City's local act. The City's stringent modification ensures contractors are exhausting all opportunities, per the statute's specifications, to achieve certified minority-and women-owned business participation. The Citizen's M/WBE Advisory Committee met on December 21, 2021 to review KMD Construction's good faith efforts and determined that a good faith effort was not made. Per the City's M/WBE Policy, any bidder not passing the good faith effort evaluation is deemed non-responsive and their bid cannot be considered.

The next lowest bidder, Holden Building Company, Inc., submitted subcontracting goals less than those established for this project of 11% with minority-owned businesses and 6% with women-owned businesses. Therefore, pursuant to the City's M/WBE Policy, the Citizen's M/WBE Advisory Committee met on January 25, 2022 to review and consider all documentation of Holden Building Company's good faith efforts which follow this resolution and determined that a good faith effort was made. Holden Building Company, Inc. will be required to subcontract, as a minimum, 5.6% of this contract with certified minority-owned businesses and 2.0% with certified women-owned businesses as indicated on the Affidavit "D" submitted by the company.

All bids exceeded the budget of \$4,400,000 allocated by the 2018 G.O. Bond. Therefore, the city considered deduct alternates and entered negotiations with the lowest responsive bidder, as allowed by N.C. General Statute 143-129(b), in an effort to bring the project within the funds available. It is recommended to accept deduct alternates G3 (Sargent locksets), G5 (sectional garage doors) and M1 (Plymovent exhaust system) for a cost savings of \$140,000. The following scope was removed or changed: change framing at main truck bay, adjust soil/rock allowance and reduce project contingency. The total cost reduction is \$276,750.

It is therefore recommended that a contract be awarded to Holden Building Company, Inc., the low bidder meeting specifications, in the negotiated total amount of \$4,358,750 which includes project contingency. The designer's base bid estimate was \$3,758,441.

M/WBE comment: This project was advertised on the City and State websites and with several electronic plan rooms. Notifications were sent to all local M/WBE and regional HUB businesses on a bi-weekly basis. See Exhibit A for a complete list of businesses that were notified the bidding opportunity and the low bidder's Workplace Demographics form. Msquare Construction, Inc. is a minority-owned business.