

## City Council – Action Request Form

**Date:** January 10, 2022

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

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**From:** Aaron King, Assistant City Manager  
Robert Prestwood, Engineering

**Council Action Requested:**  
Consideration of Items Relating to the Belview Community Center Renovation: (Southeast Ward)

Resolution Awarding Construction Contract for Belview Community Center Renovation - Holden Building Company, Inc.

Ordinance Amending the Project Budget Ordinance for the City of Winston-Salem, North Carolina for the Fiscal Year 2021-2022

**Strategic Focus Area:** Livable Neighborhoods  
**Strategic Objective:** Expand Open Space and Recreational Facilities  
**Strategic Plan Action Item:** Yes  
**Key Work Item:** Yes



**Summary of Information:**

As a 2018 G.O. Bond project, the City advertised bids for construction of a new 8,800 sq. ft. gymnasium addition with exterior and interior renovations to the 3,500 sq. ft. recreation center that houses the Youth Build program. The scope of work includes grading, erosion control, water and sewer lines, asphalt parking lot overlay, limited new landscaping, a new roof, new exterior building skin, kitchen remodel, and a secure screen wall around the covered work yard. The gymnasium will have a walking track around the wood basketball court, dedicated restrooms, storage rooms and lighting, HVAC, electrical, and plumbing. A 16” water line relocation is required. The bid contained ten multi-part alternates.

Bids were received on December 2, 2021, with a summary of bids as follows:

	<u>City/State</u>	<u>Base Bid</u>
Holden Building Company, Inc.	Greensboro, NC	\$4,844,000
KMD Construction, LLC	Salisbury, NC	4,884,000
Bar Construction Co., Inc.	Greensboro, NC	6,100,000

The low bidder, Holden Building Company, Inc., submitted subcontracting goals less than those established for this project of 14% with minority-owned businesses and 8% with women-owned businesses.

<b>Committee</b>	<u>Finance 1/10/22</u>	<b>Action</b>	<u>Approval</u>
<b>For</b>	<u>Unanimous</u>	<b>Against</b>	
<b>Remarks:</b>			

Therefore, pursuant to the City's M/WBE Policy, the City's Internal Committee and Citizen's M/WBE Advisory Committee met to review and consider all documentation of the bidder's good faith efforts which follow this resolution. The committees determined that the bidder did make the necessary good faith efforts to achieve the established subcontracting goals.

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. In the review conducted by the M/WBE Citizens Advisory Committee, the contractor must accumulate a minimum of 115 out of 180 points to demonstrate a Good Faith Effort. 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. Holden Building Company, Inc. will be required to subcontract, as a minimum, 3.6% of this contract with certified minority-owned businesses and 9.5% with certified women-owned businesses as indicated on the Affidavit "D" submitted by the company.

All bids exceeded the construction budget allocated by the 2018 G.O. Bond. The City considered deduct alternates and entered negotiations with the low bidder, as allowed by N.C. General Statute 143-129(b), in an effort to bring the project within the funds available. None of the add alternates could be considered. It is recommended to accept deduct alternates #3a-d (delete items for outdoor covered work area), 4c (fencing alternate), #6c (flooring alternate), #7 (paneling alternate), and #9 (delete mural wall plastering) for a cost savings of \$193,200. In addition, the following scope is being removed or changed: delete dormer and mezzanine, delete scoreboard, reduce gym floor graphics, delete sod and landscaping, revise roof shingle and window blinds specifications, cost saving adjustments to waterline, and changes to plumbing, electrical, and water valves. The value engineering effort, agreed to by both parties, results in a cost savings of \$250,800. These cost savings result in a total project cost of \$4,400,000.

Additional funding for this project comes from projected savings in the Salem Lake Phase 2 Project (\$300,000) and from fund balance in the Economic Development Project Fund (\$700,000).

It is therefore recommended that a contract be awarded to Holden Building Company, Inc., the low bidder meeting specifications, in the not-to-exceed total amount of \$4,400,000. The designer's construction estimate was \$3,014,972.

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.