

City Council – Action Request Form

Date: September 12, 2023

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

From: Ben Rowe, Assistant City Manager
Robert Prestwood, City Engineer

Council Action Requested:

- 1) Resolution Authorizing an Agreement with Frank L. Blum Construction Company/WC Construction Company, a Joint Venture for Construction of Truist Stadium MLB Upgrades at a Guaranteed Maximum Price (Northwest Ward)
- 2) Ordinance Amending the Annual Appropriations and Tax Levy Ordinance for the City of Winston-Salem, North Carolina for the Fiscal Year 2023-2024
- 3) Ordinance Amending the Project Budget Ordinance for the Fiscal Year 2023-2024

Strategic Focus Area: Economic Vitality and Diversity

Strategic Objective: Promote Travel and Tourism

Strategic Plan Action Item: No

Key Work Item: Yes



Summary of Information:

In 2010, the City of Winston-Salem opened a new downtown ballpark, home of the minor league baseball team, the Winston-Salem Dash. The Winston-Salem Dash are the High-A affiliate of the Major League Baseball team Chicago White Sox. In 2020, Major League Baseball (MLB) took over leadership of all levels of Professional Baseball. Their vision for improved player development, includes elevating and standardizing player facilities in all minor league ballparks across the country. These facility standards include the need to provide separate, private locker rooms for female coaches, staff, and umpires. To address these standards, MLB issued updated facility standards in 2021 and a grading system to evaluate the compliance of each minor league ballpark. MLB hired the architectural firm of Ewing-Cole to prepare a facility assessment for Truist Stadium.

As owner of the baseball stadium, the City is funding upgrades to Truist Stadium to meet the new mandatory MLB standards. In June and October of 2022, the Mayor and City Council

Committee Action:

Committee	<u>FC – 09/12/2023</u>	Action	<u>Approval</u>
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For	<u>Unanimous</u>	Against	<u></u>
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Remarks:

awarded contracts for architectural services to Walter Robbs Callahan & Pierce Architects, P.A., and pre-construction services to Frank L. Blum Construction Company, respectively, to put into place the project team for the Construction Manager at Risk (CMAR) method for project delivery. Frank L. Blum Construction Company has entered into a joint venture with W.C. Construction Company, a local, minority-owned firm, for pre-construction and construction on a 65%/35% basis. This amount is well above the City’s MWBE participation goal of 10%.

The project team completed the design of the improvements in June and conducted a bidding process in August and has evaluated bids from contractors and subcontractors and developed a Guaranteed Maximum Price (GMP) for construction. The final design includes the required MLB elements of the project including improvements to the home and visiting team clubhouse areas; additional team facilities; relocation of the lower-level concessions, and improvements to the wall height in rightfield. The home team clubhouse will need upgrades to the commissary area and laundry facilities, along with expanding the equipment room. The visiting team clubhouse will require increasing the floor space of the dressing area, upgrades to the commissary, shower and toilet facilities, training room, coach locker rooms; and a separate office, with amenities, for the visiting manager. Additional team facilities will include adding a second hitting/pitching tunnel. The wall height in the rightfield corner will be raised. As part of the FY 2022-2023 budget, the Mayor and City Council approved \$5 million in limited obligation bonds to fund these MLB-required upgrades.

Under the CMAR method, the GMP establishes the cost of the construction, which would increase only if the City authorizes changes in the scope that increase the cost. The proposed GMP for this project totals \$5,144,211. The following table provides a breakdown of project costs.

	Project Budget	Estimated Costs	Difference
Design	\$500,000	\$707,000	\$207,000
Construction (GMP)	\$4,000,000	\$5,144,211	\$1,144,211
Other Project Costs/Contingency	\$500,000	\$798,074	\$298,074
Total Cost	\$5,000,000	\$6,649,285	\$1,649,285

When planning for this project, City staff allocated the budget as follows: 10% for design, 80% for construction, and 10% for project contingency. The estimated costs include the GMP for construction, as well as other project costs that will be borne by the City, mainly design fees. The GMP includes a total of 5% in contractor and owner contingencies (\$282,243).

The increased cost of \$1.6 million is due to construction inflation and the complexity of the design. The construction industry has experienced inflation between 12% -15% over the last 18 months, which has impacted this project. Also, the original budget pricing for the MLB improvements was developed around accommodating the majority of the work in existing space. Through the design process the scope of the project has become more involved than previously thought. This resulted in more significant structural costs. The location of the new weight room and batting cages had to be shifted to allow for the program needs to become aligned with the parameters of the building. The design and construction team has worked together to minimize the complexity of the work and area affected by using alternate materials and construction methods.

In addition to Frank L. Blum Construction Company's joint venture with W.C. Construction Company, they have set goals to subcontract 49.77% of the total bid work to HUB-certified minority and women-owned businesses as follows: 46.58% to minority-owned firms, which include W.C. Construction, and 3.19% to women-owned firms. Frank L. Blum Construction/W.C. Construction Joint Venture will work with the City's Business Inclusion and Advancement Office throughout the project to track and report actual MWBE participation.

The attached resolution authorizes an agreement with Frank L. Blum Construction/W.C. Construction Joint Venture for construction of Truist Stadium MLB Upgrades and relocation of lower-level concessions at the Guaranteed Maximum Price of \$5,144,211 with MWBE participation goals of 46.58% to minority-owned firms and 3.19% to women-owned firms. Exhibit A provides the workforce demographics for Frank L. Blum Construction Company and W.C. Construction Company. The attached budget amendment provides additional funding to cover the increased cost for this project.