City of Asheville Staff Report

City Council Meeting Date: June 23, 2026

Staff Resources: Walter Ear, PE, Capital Management Director

Action Requested: Adoption of a resolution authorizing the City Manager to execute an amendment to the construction manager at risk contract with Frank L. Blum Construction Company in an amount not to exceed $6,928,674, for the Guaranteed Maximum Price of construction for the Municipal Building Capital Repairs and Restoration project.

Background:

- The Municipal Building, located at 100 Court Plaza, is headquarters to the Asheville Police Department (APD) and home to Asheville Fire Department (AFD) Fire Station No. 1.
- The fire station's 3-bay apparatus bay is located on a suspended concrete slab, above the building's fitness center and Police Forensics facilities. Structural assessments determined that the concrete slab is compromised and needs to be fully removed and replaced.
- The slab replacement will also require partial demolition and reconstruction of the spaces below the slab. The APD Forensics Office and Lab will be relocated to a new area within the building prior to the start of construction; this relocation will modernize and expand the spaces occupied by this critical law enforcement function. The fitness center will be temporarily relocated during construction and built back at the end of the project.
- During construction the building will remain occupied. APD will maintain their headquarters operations in the building. Fire Station 1 will continue to operate out of the building, but will move to the 1-vehicle apparatus bay at the rear of the building outside the construction zone.
- AFD's Administration offices have been moved out of the Municipal building, in preparation for the project.
- **Initial Bidding plan:**
    - The project was initially bid under a standard design-bid-build method. Bids were due March 27, 2025. No bids were received.
    - The project was re-bid, and bids were opened May 15, 2025. One bid was received:
        - H&M Constructors of Asheville, NC - bid amount $8,580,000
        - The bid was significantly over budget, and negotiations with the Contractor yielded some cost reductions, but not enough to award.
- **Pivot to Construction Manager at Risk**
    - Staff pivoted to a strategy of using the Construction Manager at Risk (CMAR) project delivery method. A Request for Qualifications (RFQ) was advertised for limited pre-construction services and construction management services. Qualifications were received July 24, 2025, and two firms submitted:
        - Frank L. Blum Construction (Asheville, NC)
        - Harper General Contractors (Asheville, NC)
    - Staff evaluated and scored the two qualification packages, and selected Frank

L. Blum Construction as the most qualified to perform CMAR services for the Municipal Building Capital Repairs & Restoration project. A contract for preconstruction services was executed in the amount of $28,190.
    - Preconstruction services have been completed, and a Guaranteed Maximum Price (GMP) for the cost of construction has been established.The GMP includes all of the costs for the labor, materials, equipment, supervision, and all other fees required to complete the construction of the project.
    - The pivot to this strategy yielded nearly $1.9M in construction cost savings.
- The scope included in the GMP includes:
    - the replacement of the apparatus bay slab
    - the renovation of existing space into a new Forensics office and lab
    - reconstruction of the existing fitness center
    - a bid alternate for the replacement of the failing 30-year old boiler, with high-efficiency condensing boilers
    - the repair of the concrete drive in front of Fire Station 1 and the concrete steps from Spruce Street to the front entrance
- During the recent Municipal Building Roof Replacement project, the roof was made “solar-ready”. A plan to add a solar photovoltaic array has been created for the building, and could be added as an amendment to this contract in the future using local or federal grant funding.
    - Staff will delay this amendment until we receive more information regarding the Hazard Mitigation Grant Program (HMGP) application for secondary power systems (integrated generator, battery, and solar).
    - Staff is evaluating the timing of the HMGP funding application, related decisions, and the opportunity to include the solar installation in the Municipal Building Capital Repairs project. Decisions around the HMGP funding and the resulting schedule for a solar array installation are anticipated by mid-2027.

Vendor Outreach:

- Staff performed outreach during the CMAR selection to minority and women owned businesses through solicitation processes, which included posting on the State’s Interactive Purchasing System.
- During subcontractor bidding, Blum performed extensive outreach and held two outreach events to maximize MWBE participation in the project.
    - 11% Black- and Hispanic-Owned Business participation--exceeds the Asheville Business Inclusion Goal of 8.83%.
    - 8% Woman-Owned Business participation and 1% American-Indian Owned Business participation.

Council Vision 2036 Focus Area(s):

- Fiscally Resilient City

Council Priority Recovery Area(s):

- None

Committee(s):

- None

Fiscal Impact:

- Funding for this project is included in the General Capital Projects Fund.

Suggested Motion:

- Motion authorizing the City Manager to execute an amendment to the construction manager at risk contract with Frank L. Blum Construction Company in an amount not to exceed $6,928,674 for the Guaranteed Maximum Price of construction for the Municipal Building Capital Repairs and Restoration project.

Attachment(s):

- Resolution

City of Asheville Resolution Number 26-___

Resolution authorizing the City Manager to execute an amendment to the construction manager at risk contract with Frank L. Blum Construction Company for the Guaranteed Maximum Price of construction for the Municipal Building Capital Repairs and Restoration project.

Whereas, the City of Asheville has authority pursuant to Article 3 of chapter 160A of the North Carolina General Statutes to enter into contracts for services with other entities; and

Whereas, pursuant to N.C.G.S § 143-128.1 and N.C.G.S § 143-64.31, qualifications were solicited for the Construction Manager at Risk ("CMAR") Services for the Municipal Building Capital Repairs & Restoration project (B2202); and

Whereas, Frank L. Blum Construction Company was selected for the CMAR contract to provide all labor, materials, and equipment for the construction services of the Municipal Building Capital Repairs & Restoration project (City Council Resolution No.) ; and

Whereas, a contract for preconstruction services was made the day of December 5, 2025 in the amount of $28,190 between the City of Asheville and Frank L. Blum Construction Company; and

Whereas, preconstruction services have been completed and a Guaranteed Maximum Price of the cost of construction has been established;

Now, therefore, be it resolved by the City Council of the City of Asheville that:

The City Manager is hereby authorized to execute a contract amendment with Frank L. Blum Construction Company in an amount not to exceed $6,928,674, for the Guaranteed Maximum Price of construction for the Municipal Building Capital Repairs and Restoration Project.

Read, approved and adopted this 23rd day of June, 2026.

_____
Esther E. Manheimer, Mayor

_____
Brad Branham, City Attorney

_____
Magdalen Burleson, City Clerk