THE CITY OF ASHEVILLE

Staff Report

Council Meeting Date: June 14, 2022

Subject: Construction Contract for the Shiloh Community Center HVAC Modernization

Staff Resource(s): Jade Dundas, Capital Projects Director

Action Requested: Adoption of a resolution authorizing the City Manager to enter into a contract(s) with Haynes Industrial, a Division of MB Haynes Corporation in the amount of $440,172.00, for the Shiloh Community Center HVAC modernization project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of $44,017.20 (10%).

Background:

- This project includes the modernization of boilers at the Shiloh Community Center as well as a transition from boilers to a rooftop package unit for heat and added air conditioning for the gymnasium.
- The Shiloh Community Center currently has HVAC equipment many years beyond its intended useful life, which has led to the system constantly failing, causing higher maintenance costs.
- A rebid was advertised on April 13th, 2022.
- The City received and opened 3 bids on May 5th, 2022.
- The names of the contractors and bid amounts (with selected alternates) are listed below:
    - Haynes Industrial (M.B. Haynes Corp.), *Asheville, NC* $477,359.00
    - Bolton Construction & Services of WNC, Inc., *Asheville, NC* $492,330.00
    - J. Bartholomew Construction, LLC., *Hendersonville, NC* $519,844.00
- Haynes Industrial, a Division of MB Haynes Corporation, was the lowest responsible responsive bidder with selected alternates.
- Through negotiations, the proposed construction fee was reduced to $440,172.00.
- The primary construction contract will be valued at $425,727.00.
- A secondary service contract valued at $15,250.00 will be awarded via alternate means outside of this primary agreement.
- This project will start immediately with a target substantial completion in Winter 2022 or within 60 days from the date of equipment delivery.
- Due to Covid-19 related shortages, equipment delivery times may affect the project completion date.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women-owned businesses through solicitation processes, which include posting on the State's Interactive Purchasing System, direct outreach, and requiring prime contractors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services.
- No MWBE General Contractors or Subcontractors submitted bids for this solicitation.

Council Goal(s):

- A financially resilient city
- A clean and healthy environment
- A well-planned and livable community

Committee(s):

- None

Pro(s):

- This project works towards sustainability objectives by decreasing reliance on fossil fuels through electrification, which will make use of the newly installed solar PV system. (The solar PV system was oversized in anticipation of this project.)

- The new modernized modular boiler system will have enormous efficiency improvements as well as added redundancy in the event of failure during below freezing temperatures, making repair times less critical.
- The new systems will allow for remote monitoring, which allows facility maintenance staff the ability to review system conditions without having to physically visit the site, reducing employee expenses and freeing up staff resources.

Con(s):

- Because of material and contractor labor shortages the construction cost is significantly higher than estimates.

Fiscal Impact:

- Funding for this contract is included in the current Adopted Capital Improvement Program budget.

Suggested Motion:

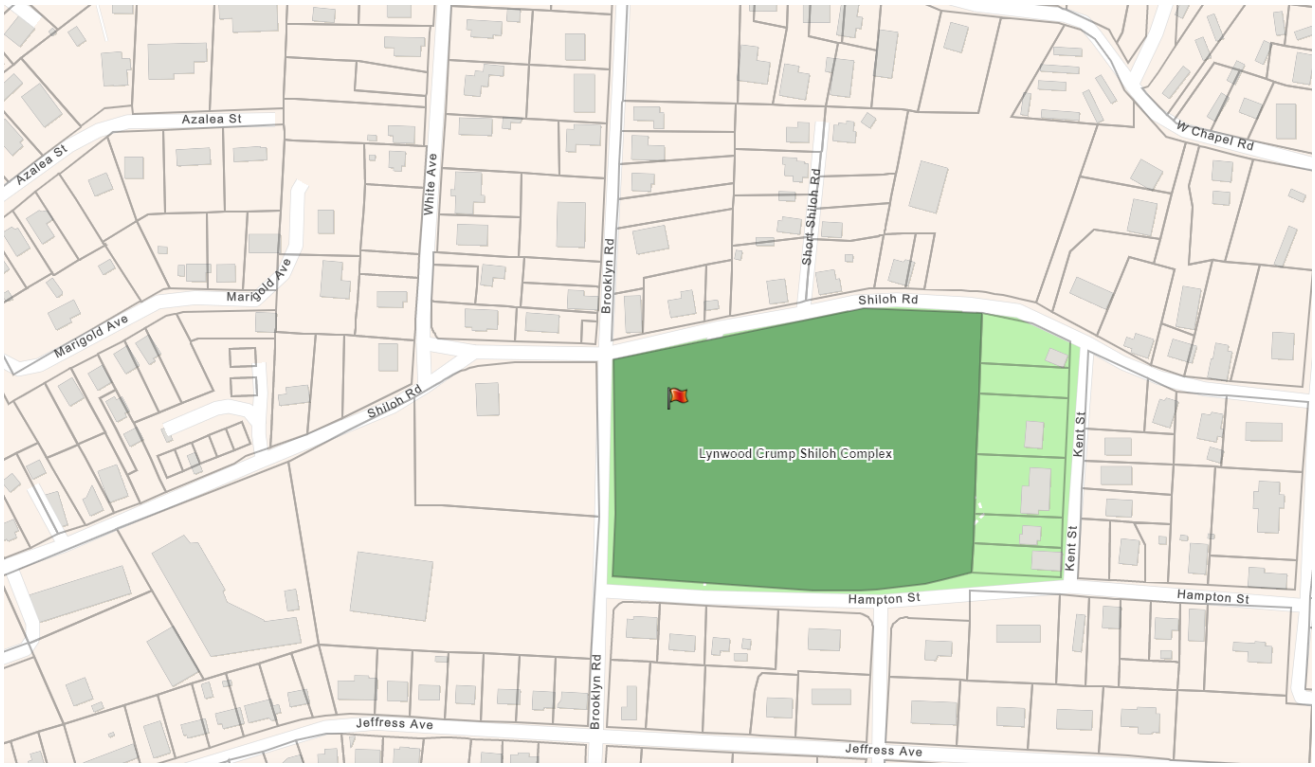
- Motion to adopt a resolution authorizing the City Manager to enter into a contract(s) with Haynes Industrial, a Division of MB Haynes Corporation in the amount of $440,172.00, for the Shiloh Community Center HVAC modernization project; and further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of $44,017.20 (10%).

Attachment(s)

- Map of Project
- Resolution

Map of Project:

Address of Project: *(Red Flag Marker)*
Shiloh Community Center
121 Shiloh Rd.
Asheville, NC 28803



RESOLUTION NO. 22-_____

RESOLUTION AUTHORIZING THE CITY MANAGER TO ENTER INTO A CONTRACT(S) WITH HAYNES INDUSTRIAL, A DIVISION OF M.B. HAYNES CORPORATION FOR THE SHILOH COMMUNITY CENTER HVAC MODERNIZATION 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. § 143-129, bids were solicited for the Shiloh Community Center HVAC modernization project, City of Asheville Project #B2103**;** and

WHEREAS, Haynes Industrial, A Division of MB Haynes Corporation of Asheville, NC was the lowest responsible bidder for the project; and

WHEREAS, Haynes Industrial, A Division of MB Haynes Corporation shall provide all labor, materials, and equipment for the installation of a modernized HVAC system at the Shiloh Community Center; and

WHEREAS, the amount of the bid with selected alternates and negotiations is $440,172.00, and funding for the project is allocated within the Capital Improvement Program Fund;

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(s) with Haynes Industrial, A Division of MB Haynes Corporation in the amount of $440,172.00, for the Shiloh Community Center HVAC modernization project; further authorizing the City Manager to execute any change orders that may arise during the project up to the contingency amount of $44,017.20 (10%).

Read, approved and adopted this the 14th day of June, 2022.

_____ _____

City Clerk Mayor

Approved as to form:

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City Attorney