THE CITY OF ASHEVILLE

STAFF REPORT

Council Meeting Date: June 9, 2020

Subject: Harrah's Cherokee Center Asheville Facility Renovation & HVAC Modernization Contract Amendment

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

Action Requested: Adoption of a resolution authorizing the City Manager to amend the contract with Brady Services, Inc. in the amount of $166,360.77, for a revised total maximum price amount of $4,219,637.65 to complete the Harrah's Cherokee Center Asheville (HCCA) Facility Renovation & HVAC Modernization Project.

Background:

- This amendment authorizes capital project funds required to close out the HVAC modernization phase of the project.
- This three phase project installed 1) flexible theater seating in the arena, a sound and lighting package; 2) converted a storage room into a press/meeting room with additional supporting projects including the expansion of storage for the displaced room; and 3) modernized much of the building's 1970's era HVAC system.
- The project was included in the City's 2016-17 fiscal year capital improvements budget. The project is partially funded by a $1,500,000 grant from the 2016 Tourism Product Development Fund.
- On August 28, 2018, City Council authorized a contract amendment to begin the Phase 2 facility renovation (press/meeting room renovation and storage expansion). This phase was completed in November 2018 ahead of the HVAC Modernization to meet a HCCA scheduling commitment.
- On March 26, 2019, City Council authorized a contract amendment to begin the HVAC Modernization phase. This phase replaced critical parts of the building's 40+ year old HVAC system. Where equipment could not be replaced due to budget constraints, it was upgraded with zone controls, monitoring, and other smart technology systems.
- All new and upgraded equipment included in this project were integrated with the recently installed building automation system.
- The City used the Construction Manager at Risk (CMAR) delivery method to contract with J. Brady Contracting, Inc. to complete the facility renovations and HVAC modernization. This delivery method was chosen because it allows a lead contractor to coordinate the efforts of many different trades over a large area and a broad scope.
- The CMAR delivery method groups the work into smaller "bid packages". The HVAC modernization project was grouped into six (6) separate bid packages and a total of 14 bids were received from first tier subcontractors across all bid packages.
- The project is complete and this contract amendment reconciles all changes through the end of the project. Additionally this amendment will secure an extended service agreement for the new equipment.

Vendor Outreach Efforts:

- Staff performed outreach to minority and women-owned business through solicitation processes which included posting on the State's Interactive Purchasing System and required vendors to reach out to Minority & Women-Owned Business Enterprise (MWBE) service providers for subcontracted services. MWBE firms were involved in the completion of this work through the prime contractor.

Council Goal(s):

- A Thriving Local Economy
- A Clean and Healthy Environment

Committee(s):

- None

Pro(s):

- Improved the venue's ability to host a wider range of events.
- Reduced energy consumption with new efficient equipment or with upgrades to existing equipment with intelligent controls.
- Capital investment provided reliable building infrastructure, reducing repair costs, and downtime associated with broken HVAC equipment.

Con(s):

- Redirecting budget from other HCCA capital maintenance projects means that less funding is available in the short term for other deferred maintenance needs.

Fiscal Impact:

- The amount of this contract amendment exceeds the available budget in the (HCCA) Facility Renovation & HVAC Modernization project. Funds from the HCCA General Maintenance project will be used to fund this contract amendment.

Suggested Motion:

- Motion to adopt a resolution authorizing the City Manager to execute a contract amendment to the construction manager-at-risk (CMAR) contract with J. BRADY CONTRACTING, INC., in the amount of $166,360.77, for a total maximum price of $4,219,637.65 for the Harrah's Cherokee Center Asheville Facility Renovation and HVAC Modernization.

Attachment(s)

- Resolution

RESOLUTION NO. 20-_____

RESOLUTION AUTHORIZING THE CITY MANAGER TO EXECUTE A CONTRACT AMENDMENT FOR A GUARANTEED MAXIMUM PRICE WITH THE SELECTED CONSTRUCTION MANAGER AT RISK FIRM, J. BRADY CONTRACTING, INC, FOR THE HARRAH'S CHEROKEE CENTER ASHEVILLE FACILITY RENOVATION & HVAC MODERNIZATION CONTRACT_____

WHEREAS, pursuant to N.C.G.S. § 160A-20.1, the City of Asheville may enter into contracts with private entities to carry out any public purpose the City is authorized to engage in; and

WHEREAS, pursuant to N.C.G.S. § 143-128.1, statements of qualification were solicited for a construction manager-at-risk the project known as the Harrah's Cherokee Center Asheville Facility Renovation and HVAC Modernization, City of Asheville Project #C1701; and

WHEREAS, J. BRADY CONTRACTING, INC. was judged the best qualified firm for the project; and

WHEREAS, the contract generally consists of preconstruction services, and construction management services in order to renovate the Harrah's Cherokee Center Asheville press/meeting room, expand storage, and to modernize the HVAC systems in order to expand the type and frequency of events the venue can host; and

WHEREAS, the CMAR completed the preconstruction services and facility renovation, prequalified first tier subcontractors, and publicly bid the HVAC Modernization Phase of the project, and the City and CMAR negotiated for construction services; and

WHEREAS, the City entered into a contract in the amount of $67,000 for preconstruction services, amended said contract in the net amount of $3,986,276.88 for the facility renovation, and HVAC modernization phases, shall amend said contract an additional $166,360.77, for a total maximum price of $4,219,637.65 for services necessary to complete this project; and

WHEREAS, additional funding for the project has been identified within the existing HCCA 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 amendment to the construction manager-at-risk contract with, J. BRADY CONTRACTING INC. in the amount of $166,360.77, for a total maximum price of $4,219,637.65 for the Harrah's Cherokee Center Asheville Facility Renovation and HVAC Modernization.

Read, approved, and adopted this 9th day of June 2020.

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City Clerk Mayor

Approved as to form:

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City Attorney