

**Durham County Government****Agenda Action Form Supplemental Document – Contract Approval**

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**Agenda Action Form Overview**

Execution of a Construction contract with H.M. Kern Corporation, for construction services for the Judicial Building Annex Renovation.

**Background/Justification**

The decision to have Probation and Parole (Orange St. location) relocate into the floors 2 and 3 of the Judicial Building Annex was determined during the programming effort for the Judicial Building Renovation (Administration Building II). These spaces were occupied by the NC Department of Juvenile Justice and Delinquency Prevention (2<sup>nd</sup> Floor) and the EMS Administrative staff (3<sup>rd</sup> Floor,) both of which relocated to Durham County Administration Building II in September 2018. This construction contract allows the timely commencement of construction in the newly vacated 2<sup>nd</sup> and 3<sup>rd</sup> floors of the facility. The work will include a full renovation of floors 2 and 3 for the purpose of Probation and Parole operations, and upgrades to the 1<sup>st</sup> floor lobby and entry doors, thereby creating new separate entrances for BoE and Adult Probation and Parole. The existing undersized 1974 elevator will be replaced, and new signage, graphics, and furniture coordination will be provided. A building systems and structural evaluation was performed to identify other issues that should be addressed during this renovation, such as replacement of antiquated electrical service equipment, water heater replacement, outdated fire alarm system replacement, and updating building security to the new County standard S2 system. A third-party water intrusion assessment was performed to identify remediation strategies for correcting existing building leakage. The necessary leakage remediation work and replacement of outdated building systems have been added to the original scope of the project. Replacement of the roof and rooftop HVAC equipment, currently at the end of their useful lives, was planned by General Services and will be transferred into this project for expediency and improved coordination under a single contractor. The building was constructed in 1974 and the second floor has never been updated or renovated, thereby increasing the possibility of unforeseen issues. An 8% contingency has been included to cover correction of any concealed conditions that may be encountered during construction.

**Policy Impact**

This project was approved during the FY 16-17 Capital Improvement Plan update.

**Procurement Background**

Construction services for this project were bid under a formal IFB public bid process, where the expected contract cost was over \$500,000, per purchasing guidelines.

**Type of purchase**

- ☐ Goods
- ☐ Services
- ☐ Architect, Engineer or Surveyor Services
- ☒ Construction and Repair

Attachment 1, Page 2

**Did this request for purchase go through a bid process? Yes ☒ No ☐**

*Goods: Bids required if  $\geq$  \$30,000, BOCC approval if  $\geq$  \$90,000*

*Services: Bids required if  $\geq$  \$30,000, BOCC approval if  $>$  \$40,000*



*Construction/Repair work: Bids required if  $\geq \$30,000$ , BOCC approval if  $\geq \$500,000$*

If yes, attach a copy of bid tab and the minority and women business enterprise (MWBE) compliance review form provided by the Purchasing Division.

If no, why?

- ☐ Sole source exemption
- ☐ Cooperative purchasing program exemption
- ☐ State and federal contract exemption
- ☐ Contract is an amendment to an existing contract
- ☒ Other (please explain)

**If exempted from bidding, has this request been reviewed and approved by the Purchasing Division in the agenda Legistar system? Yes ☒ No ☐**

If no, why? Qualification based RFQ process as required by G.S. 143-64.31

### **Fiscal Impact**

This project was approved during the FY 16-17 Capital Improvement Plan update and funding for the Construction is available in the Judicial Building Annex Renovation Capital Project Account pending the approval this Capital Project Amendment to increase the project budget by \$550,427. On the July 11, 2016 BOCC regular session meeting, BOCC approved Capital Project Amendment No. 17CPA000002 appropriating \$300,000 in County Contribution to the project and on the June 12, 2017 regular session meeting, BOCC approved Capital Project Amendment No. 17CPA000026 appropriating \$3,800,000 of Limited Obligation Bonds.

### **Recommendation**

The County Manager recommends that the Board approve Capital Project Amendment No. 19CPA000011 reducing the DSS Building Demolition capital project by \$550,427 and appropriating \$550,427 to amend the capital project for the Judicial Annex Renovations and authorize the execution of the contract with H.M. Kern Corporation to provide construction services for the project in the amount of \$3,917,880 with contingencies of \$313,424 for a total not to exceed budget of \$4,231,224.(See Attachment 2, Page 1.)