

Legislation Text

File #: 15-11772, Version: 1

Construct the Charlotte Convention Center Phase I Renovation

Action:

- A. Authorize the City Manager to negotiate and award a guaranteed maximum price of \$114,500,000 to Holder-Edison Foard-Leeper Company for Construction Manager at Risk Services for the Charlotte Convention Center Phase I Renovation project, and**
- B. Adopt a budget ordinance appropriating \$11,900,000 from the Convention Center Tax Fund for the Convention Center Phase 1 Renovation.**

Staff Resource(s):

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Explanation

- This project will construct renovations to the 23-year old Charlotte Convention Center, a city-owned facility in Council District 1.
- In 2015, the Charlotte Regional Visitor's Authority (CRVA) initiated a study that concluded that several improvements would advance the Convention Center's marketability and competitiveness.
- On September 25, 2017, City Council approved the set-aside of \$110,000,000 of future debt capacity for the Convention Center Phase I Renovation.
- The city has selected the Construction Manager at Risk (CMAR) project delivery method to provide more effective coordination, more control of project costs and schedule, and to better mitigate risk during construction.
- Representatives from the city and CRVA selected Holder-Edison Foard-Leeper Company using the qualifications-based selection process to provide construction management services.
- Upon successful completion of the pre-construction phase, City Council approved an initial CMAR contract on November 26, 2018 for an amount not to exceed \$98,000,000 with Holder-Edison Foard-Leeper Company.
- After bidding, negotiating with subcontractors, and value engineering, Holder-Edison Foard-Leeper Company has determined the cost of construction to be \$114,500,000 - an amount that exceeds the current CMAR contract value by \$16,500,000.
- The city and CRVA will use \$4,600,000 of existing funds to pay for construction-related items such as furniture, materials testing, and building commissioning.
- Another \$11,900,000 is needed in order to increase the existing CMAR contract to the \$114,500,000 guaranteed maximum price (GMP) value.
- Holder-Edison Foard-Leeper Company has developed a GMP for construction phase services, including coordination of all construction activities, managing all subcontractors, and delivering the project on schedule and within budget in collaboration with the city, the CRVA, and the design consultants.
- Under the CMAR delivery method, once the GMP is set, all construction risks transfer to the construction manager except for any issues arising from deficiencies in the construction plans.
- Holder-Edison Foard-Leeper Company, as the CMAR, will not be allowed to self-perform the construction work. The company will be required to prequalify all first-tier subcontractors and

competitively bid the work to subcontractors.

- The project is anticipated to be complete by third quarter 2021.

Charlotte Business INclusion

The city has established project goals of 7.00% SBE and 14.00% MBE. Because this is a Construction Manager at Risk project, the Construction Manager has the opportunity to add small business enterprises (SBE) and Minority Business Enterprises (MBE) firms throughout the life of the project. (Part G: Section 2.3 of the Charlotte Business INclusion Policy)

Fiscal Note

Funding: Convention Center Tax Fund

Attachment(s)

Map

Budget Ordinance