

CHARLOTTE MECKLENBURG

LIBRARY

Real Estate Committee Meeting Report Tuesday, July 9, 2024

Trustees:

Jon Buchan – Chair
Dr. Ricky Woods – Board Member
Peggy Brookhouse – Board Member
Board approved special member
Walker Morris – ex-officio

County Staff:

Mark Hahn – Director, AFM
Becky Miller – Sr. Project Manager, AFM
Shannon Crane – Project Manager, AFM
Stacy Cormier – Project Manager, AFM

Hamilton Stephens Steele & Martin

George Sistrunk – ex-officio

Library Staff:

“MT” Marcellus Turner – CEO/Chief Librarian
Caitlin Moen – Chief Library Services Officer
Angie Myers – Chief Financial & Administration Officer
Michael Boger- Deputy Finance Director
Elesha Roupp – Library Administrative Coordinator
David Dillard – Library Real Estate Director
Peter Jareo – Senior Manager - Facilities
Tony Tallent – Associate Director – Branches

Notes: Virtual meetings will be recorded via Zoom and used for administrative purposes only.

Attendance by invitees that are not presenting is voluntary.

Meeting Report

Meeting Report approval: 3/12/24 approved by Jon Buchan

Story of Impact given by Tony Tallent

This story comes from Meryle Leonard, Director of Outreach here at the library. This story is built around our partnership with Hope Street Food Pantry. In April we hosted the food pantry at our Hickory Grove location. Meryle stated, “We were able to meet some immediate needs from people driving by who actually say the sign and pulled in and boy were they surprised.” Several families shared some very dire situations that they were going through with no food at home, and we were there to meet their need. One of Meryle’s favorite stories of the day was about a woman who had just moved to Charlotte from the Outer Banks for a rehab program. She came to the library to sign up for a library card but left with so much more. She was able to stock her pantry and shared that she had nothing at home. She left with a full heart and a full pantry. We helped 80 families that day: 272 people in total.

University City update given by Shannon Crane

The brick installation has been completed, and glazing has been installed as shown on screen. The rooftop HVAC systems have been installed as well as the screen to protect them. The only item left on the exterior is installation of the metal panels on two sides which should be completed within the next two weeks. They are hoping to have permanent power this week. They have started priming for paint. The building skin should be complete in August. Inspections for the Temporary Certificate of Occupancy will happen mid to late November. Once the TCO is approved, the “library’s work” can commence, which includes the furniture and fixtures (FF&E), shelving, technology, etc.

The purchase of the property is scheduled for December.
Opening to the public is planned for first quarter of 2025.
The project is within budget. (It is actually under budget since we have unspent funding available in two contingency lines).

New Main library update given by Becky Miller

Construction update:

As of June 30, 2024, the construction of New Main Library was 14% complete.

- a. Demolition and Stabilization are complete for the Library & Spirit Square.
- b. Deep pile foundations are complete.
- c. Spread Footings, foundation walls, and the elevator and sump pit are in process.
- d. Weatherproofing and Vapor Intrusion Mitigation Systems (VIMS) are also being installed.

On June 26th, 2024, I issued a temporary stop work order when Rodgers contacted me to report that they had discovered groundwater at a higher-than-expected elevation. I contacted the design team and S&ME and requested Rodgers provide an update to the entire team. After hearing from Thornton Tomasetti and S&ME about their concerns on two issues: structural implications of hydrostatic pressure and the compatibility of the groundwater and the VIMS, I stopped the foundation work. This decision was based on the knowledge that it would be more time consuming to remove foundations if we found out the design needed to change.

Update post R.E. Committee meeting—as of 7-10-2024:

The structural engineer of record confirmed that the new groundwater elevation will not impact the existing design and work can continue. The waterproofing engineer at Thornton-Tomasetti also confirmed that the waterproofing design can continue as designed.

The Geotech engineer (S&ME) and the VIMS manufacturer and sub-contractor all confirmed that the higher groundwater elevation will not negatively impact the current design of the Vapor Intrusion Mitigation System (VIMS).

On 7-9-2024, AFM issued a Notice to Proceed to Rodgers Builders to resume all work.

Project Schedule look ahead:

Milestone projections:

- Demo and Stabilization was completed in early March.
- Site work is on-going now for deep pile footings and foundations.
- Steel Erection to start Summer 2024
- Building Envelope to start Winter 2025
- Substantial Completion/TCO May 2026
- “Soft Open” planned for Summer 2026

Project Budget:

The Contract Amendment finalizing the Guaranteed Maximum Price (GMP) of \$165,728,324 for the new Main Library and Spirit Square project was executed on June 24, 2024. This total includes \$18,347,539 in developer related scope, funded separately by Mecklenburg County.

Operations update given by Peter Jareo

Last time we met, we talked about some infrastructure upgrades that were occurring at several locations: Davidson, Cornelius, Steel Creek, Plaza Midwood, and Mint Hill. Those locations are substantially complete.

With the first phase of security upgrades complete the 2nd phase will start calendar year 2025. Hickory Grove will be getting a full HVAC replacement. This must go through the bidding process. We do not currently have a start date for this.

Plaza Midwood will also be getting a full mechanical replacement. They are in the pre-bid process. The landlord will coordinate roof replacement with our HVAC project.

Davidson received a new fire panel.

Lastly, Myers Park will be getting some furniture replaced at the end of August.

Real Estate Leader's Report given by David Dillard

Review of Action Items for Architectural and Construction Manager at Risk

Summary: Authorization for selection of firm and execution of contract for the design of the new Sugar Creek library (following approved processes).

Action Items:

- Authorize the Charlotte Mecklenburg Library CEO or designees to work with Mecklenburg County Asset & Facility Management to prepare, advertise, and review Requests For Qualifications (RFQ) for the selection of the Architectural and Engineering firm necessary to complete the project pursuant to the Selection Policy (attached).
- Authorize the Charlotte Mecklenburg Library CEO or designees to negotiate the terms of such contract and to execute the successfully negotiated contracts.

Staff Contact: David Dillard, Director of Real Estate.

Background

In November of 2014, the Library Board adopted an Architect Selection Policy.

In June of 2023, the Mecklenburg County Board of Commissioners approved the 2024-2028 Capital Improvement Plan that included funding for the design and construction for a new Sugar Creek library (to be relocated from its existing site at 4045 North Tryon Street to a parcel owned by the county on Stitt Road) of approximately 18,000-20,000 square feet (the new community library model size).

Attachments

CML Architect Selection Policy (2 pages) included in separate email.

CML Process for Selecting Architects (3 pages) included in separate email.

Approved by the CML Board of Trustees on June 24, 2024.

2nd Action Item:

Subject: **Construction Management @ Risk Contracting Methodology for Library Projects**

Action:

- A. **Authorize the use of the Construction Management @ Risk (CM @ Risk) contract methodology for the Sugar Creek Library Relocation & Expansion Project, which requires CML to conclude that construction management at risk services is in the best interest of the project, and that CML has compared the advantages and disadvantages of using the construction management at risk method for a given project in lieu of the delivery methods designated in the NC General Statutes [NCGS 143-128(a1)(1) through 143-128(a1)(3)].**
- B. **Authorize the Charlotte Mecklenburg Library CEO or designees to work with Mecklenburg County Asset & Facility Management to prepare, advertise, and review Requests For Qualifications (RFQ) for the selection of the Construction Manager, commissioning agent, special inspectors/materials testing firm(s), and other consultants as needed for the new Sugar Creek library pursuant to the Selection Policy (attached).**
- C. **Authorize the Charlotte Mecklenburg Library CEO or designee(s) to negotiate the terms of such contracts and to execute the successfully negotiated contracts.**

Staff Contact: David Dillard, CML Director of Real Estate and Becky Miller, Senior Project Manager, Mecklenburg County Asset and Facility Management

Presentation: Yes____ No X

Background Justification

In 2001, the General Assembly Session Law 2001-496 enacted Senate Bill 914 (revisions to G.S. 143-128) to provide construction flexibility for public entities by allowing the use, without limitation, of separate prime contracting, single prime contracting, dual bidding, Construction Management at Risk (CM@Risk), and alternative contracting methods authorized by the State Building Commission.

Effective October 1, 2014, the NC Legislature approved revisions to Section 143-128.1, requiring the comparison of the advantages and disadvantages of the CM@Risk method, and a decision by the governing body that the CM@Risk method "is in the best interest of the project" before it can be used by a public entity for a project.

"(e) Construction Management at Risk services may be used by the public entity only after the public entity has concluded that construction management at risk services is in the best interest of the project, and the public entity has compared the advantages and disadvantages of using the construction management at risk method for a given project in lieu of the delivery methods identified in G.S. 143-128(a1) (1) through G.S. 143-128(a1) (3). The public entity may not delegate this determination."

Mecklenburg County's office of Asset and Facility Management, which is managing capital projects for the Library under the terms of an Inter-Local Agreement, has developed the attached matrix comparing the two project delivery methods (see "Construction Management @ Risk Comparison Matrix")

Construction Management @ Risk Comparison Matrix

Competitive Bid (Design-Bid-Build)	Construction Management At Risk
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<p>Often referred to as Design-Bid Build, this method is the one with which most Owners are familiar. It is a linear process where one task follows completion of another with no overlap possible.</p> <p>Plans and specifications are completed by the architect, then bids are requested. Contractors bid on the project exactly as it is designed with the lowest responsible, responsive, bidder awarded the work. The design team is selected separately and reports directly to the Owner.</p> <p>This method includes the following three types of Competitive Bids identified in G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3):</p> <ul style="list-style-type: none"> (1) Separate-prime bidding (2) Single-prime bidding (3) Dual bidding pursuant to subsection (d1) of G.S. 143-128 	<p>The Construction Management at Risk (CM@Risk) approach allows the Owner to interview and select a construction firm based upon qualifications early in the design phase. During the design phase, the construction manager works with the design team to provide construction methodology recommendations, constructability reviews, cost estimating and scheduling. A Guaranteed Maximum Price (GMP) is provided by the CM@Risk to the Owner near the end of the design phase. The CM@Risk receives bids from and awards contracts to prequalified subcontractors. The final construction price is the sum of the CM@Risk's fee, overhead, and contingencies, plus the subcontractors' bids. Any unused contingency at the end of the project reverts back to the Owner. The design team is selected separately and reports directly to the Owner.</p>
Advantages	Advantages
<ul style="list-style-type: none"> a) Familiar delivery method b) Fully defined project scope for both design and construction c) Both design team and Contractor accountable to Owner d) Lowest price proposed and accepted; pricing, including contractor fee and overhead, developed competitively. e) Creates bidding opportunities for multiple general contractors and subcontractors. f) Typically used for simple projects, with defined schedules and budgets, with limited coordination, and a single phase of construction 	<ul style="list-style-type: none"> a) Selection of contractor based on qualifications, experience, and team composition. b) Contractor provides design phase assistance in constructability, budgeting, and scheduling, avoiding delays. c) Continuous budget control possible d) Pre-qualification of subcontractors allows Owner and contractor to ensure quality and experience. e) Subcontracts are competitively bid by <u>pre-qualified</u> contractors, improving the quality of work f) Faster schedule than traditional bid g) Ability to obtain the construction contract amount (Guaranteed Maximum Price or GMP) earlier in the process. h) Better coordination between design team and Contractor (CM@Risk) due to design phase involvement of Contractor i) Should reduce change orders during construction since CM@Risk participated in the design phase j) Ability to quickly add or reduce CM@Risk management staff as project needs change. k) Typically used for large projects that are schedule sensitive, requiring a high level of construction management due to multiple phases, technical complexity or multi-disciplinary coordination.

Disadvantages	Disadvantages
<ul style="list-style-type: none"> a) Linear process means longer duration than other methods. b) Price not established until bids are received; may require redesign and rebid if bids exceed budget. c) Quality of contractors and subcontractors not assured. d) Cost estimates during design process do not involve Contractor input. e) Fosters adversarial relationships between all parties which may increase probability of disputes. f) No design phase input from Contractor on project planning, budget estimates, or constructability g) Not optimal for projects that are driven by multiple construction sequences, an expedited schedule, or anticipated changes. h) Change orders and claims may increase final project cost. 	<ul style="list-style-type: none"> a) May cost more than traditional bid due to reduced competition in pricing of contractor overhead & profit, although potential reductions of change orders may even out any difference.

With the Construction Management at Risk (CM@Risk) project delivery method, the construction manager will assist the Library with scheduling, constructability, and budget control prior to construction and the CM is accountable for delivering the project on-schedule and within budget during construction.

Mecklenburg County, Charlotte Mecklenburg Schools, Central Piedmont Community College and the City of Charlotte have all successfully utilized the Construction Management @ Risk methodology.

Project Description

The Sugar Creek Library was constructed in 2003 and will have been in service for 23 years by the time the new location is complete. This facility is co-owned by CML and the city of Charlotte, which uses its half for a Police Department for the North Tryon Division of the Northeast Service Area Command. Both the library and the CMPD spaces are too small to service the community. The age, usage, and especially the size of the facility warrants a new larger facility to meet the challenges faced by 21st century library.

The existing 9,300 sf library will be expanded to between 18,000 and 20,000 square feet in a new single-story building across Stitt Road from the Ella B. Scarborough Community Resource Center. It will be at the signalized intersection of Eastway Drive and Stitt Road. The new facility will be designed to CML's new community branch standards to include space for improved collections, new flexible space for children's programming, a more defined and reconfigured teen area, conference rooms, group study spaces, quiet study rooms, a flexible computing area(s), increased self-service options, technology access, general restrooms, a family restroom, wellness/calming room, improved workflow, delivery, and storage in staff areas, and more parking spaces in closer proximity for customers.

The project budget is approximately \$ 17.2 million which includes all construction costs, contingencies, furnishings, equipment, technology, design fees, permits, commissioning/ testing, and relocation costs.

From the Comparison Matrix above, the following advantages make the CM@Risk Contract methodology the best delivery option for the Morrison Renovation project and in the best interest of the Library. Details that pertain to the project are in parenthesis ():

- a) Selection of contractor based on qualifications, experience, and team composition. (CM will be required to have experience with similar type projects).*
- b) Contractor provides design phase assistance in constructability, budgeting, and scheduling, avoiding delays. (This will help meet the approved schedule for the new Sugar Creek library allocated in the capital budget).*
- c) Continuous budget control possible. (As the design evolves, the CM can evaluate the cost of changes, allowing the design team to modify the design to keep the project within budget).*
- d) Prequalification of subcontractors allows Owner and contractor to ensure quality and experience. (This helps mitigate cost over runs and delays and helps obtain a quality product).*
- e) Subcontracts are competitively bid by pre-qualified contractors, improving the quality of work. (Pre-qualifying the subcontractors delivers the lowest price by qualified contractors).*
- f) Faster schedule than traditional bid. (Helps meet schedule).*
- g) Ability to obtain the construction contract amount (Guaranteed Maximum Price or GMP) earlier in the process. (Helps meet schedule by obtaining fixed pricing before final completion of construction documents. Upon completion of the construction documents, the CM can begin construction immediately, rather than waiting for an extended bidding period).*
- h) Better coordination between design team and Contractor due to design phase involvement of Contractor. (This collaboration allows early pricing, early scheduling, and expedited implementation).*
- i) Change orders are typically reduced during construction since CM@Risk participated in the design phase. (Minimizes unexpected costs and/or delays).*
- j) Ability to quickly add or reduce CM@Risk management staff as project needs change. (The same Contractor is involved in both pre-design and construction, and has the ability to increase or reduce staff as needed during the process).*
- k) Typically used for projects that are schedule sensitive, requiring a high level of construction management due to site complexity, or multi-disciplinary coordination. (Helps meet schedule. This project contains site complexity due to construction across from a county facility that will continue to be open during library construction. There are special implications with utility services to the site.).*

Procurement Background

Qualification-based selection process for selection of Construction Management @ Risk Contract (G.S. 143-64.31)

Approved by the CML Board of Trustees on June 24, 2024.

North Branch update

We met with the legal team at AFM about the deed preparation and what they wanted to do with the current occupant. They are studying the leaser and license agreement, and then they will make a decision.

The North Branch will return to County ownership.

Electric Vehicle charging station discussion/strategy

A Trustee inquired at the most recent Board meeting about status of installation of Electric Vehicle charging stations. CML had been approached in 2022 by a group that had funding from the Volkswagen lawsuit to install charging stations at several CML locations (Allegra Westbrooks, South County Regional, and Steele Creek). The Real Estate Committee assessed the impact of dedicated three parking space for two (handicap accessible) charging stations at all locations and compiled a list for consideration. The Board wanted more input so data was gathered about EV charging stations from the city of Charlotte, Mecklenburg County, Atrium Health, and private groups. Unfortunately, the funding from the VW lawsuit was allocated to other locations and no longer available. Since one of CML's criteria was that CML would not fund the installation or operation of charging stations, the installations were abandoned, but would be considered in the future if funding becomes available.

Upcoming Meetings:

Real Estate Committee Meeting	Tuesday, August 13, via Zoom
<i>Board of Trustees Retreat</i>	<i>Friday, August 2, 8 am-3 pm: North County Regional</i>
<i>Board of Trustees Meeting</i>	<i>Monday, September 16, 4pm – 6:30pm location TBD</i>