

Mayor and Council Work Session December 19, 2023 Agenda

"The City of Hagerstown will inspire an inclusive, business-friendly, and sustainable community with clean, safe, and vibrant neighborhoods."

"The City of Hagerstown shall be a community focused municipality"

The agenda and meeting packet is available at www.hagerstownmd.org/government/agenda

"The holiday season is a perfect time to reflect on our blessings and seek out ways to make life better for those around us."

Terri Marshall

6:00 PM WORK SESSION

- 6:00 PM** 1. Hagerstown Field House - Award of Furniture, Fixtures, and Equipment (FF&E)
Procurement Contract - *Jim Bender, City Engineer*

CITY ADMINISTRATOR'S COMMENTS

MAYOR AND COUNCIL COMMENTS

ADJOURN

**REQUIRED MOTION
MAYOR AND CITY COUNCIL
HAGERSTOWN, MARYLAND**

Topic:

Hagerstown Field House - Award of Furniture, Fixtures, and Equipment (FF&E) Procurement Contract - *Jim Bender, City Engineer*

Mayor and City Council Action Required:

Discussion:

Financial Impact:

Recommendation:

Motion:

Action Dates:

ATTACHMENTS:

File Name

Council_memo_-_Field_House_FFE.pdf

Description

Memo - Hagerstown Field
House Procurement
Contract



CITY OF HAGERSTOWN, MARYLAND

Engineering Department

December 19, 2023

TO: Scott Nicewarner, City Administrator

FROM: Jim Bender, City Engineer *JB*

RE: Hagerstown Field House – award of FF&E procurement contract

1. Background

The City, working with its partner Eastern Sports Management (ESM) and their team, solicited bids for construction of the Hagerstown Field House building and site work. Bids were opened for the project, and the Council awarded the construction contract to Waynesboro Construction Company (Waynesboro) in October 2023. That contract did not include the Furniture, Fixtures, and Equipment (FF&E) that are needed to outfit and complete the facility. The City and ESM now need to amend the previously approved Developer Agreement to allow for the procurement of the FF&E package.

2. Mayor & Council Action Requested

Review this information, and determine whether or not to approve Amendment No. 1 to the Developer Agreement, which will allow ESM to proceed with procurement. If the Council is in agreement, a motion approving execution of the agreement will be presented at the December 19th Regular Session meeting. Staff will be present at the work session to discuss.

3. Discussion

The FF&E package includes the sports equipment for the various courts and fields within the Field House, kitchen equipment, audio/visual equipment, and other items necessary to the function of the building; Schedule “B” in the attached Amendment No. 1 provides a breakdown of the FF&E package, and the costs for these items.

The Council approved the construction contract for the Field House building and site work on October 24, 2023. The supplemental information attached to that motion included a breakdown of project costs that were not included in the construction contract with Waynesboro; the \$4,391,842 cost for FF&E procurement was included in that breakdown, as were costs for inspection & testing, commissioning of the building’s systems, and contingencies. A copy of that motion and cost breakdown is attached.

While procurement of the FF&E package could be performed by the City or Waynesboro, staff feels that it is appropriate for ESM to do the procurement for the following reasons:

1. ESM, as the future operator of the Field House and the current operator of several other indoor sports facilities, is familiar with the quality and types of equipment and

furnishings needed to operate a successful facility. Neither the City nor Waynesboro has the expertise necessary in these areas to specify FF&E that meets ESM's requirements for quality and durability.

2. ESM, through its development of other sports facilities, has established relationships with the various FF&E vendors. Those relationships offer flexibility and considerations to ESM that may not be extended to the City or Waynesboro.
3. The City does not have the capacity to manage and coordinate the procurement and delivery of the FF&E package; we also have no facilities where equipment could be stored until it is ready to be installed. The City would have to coordinate delivery and installation of the FF&E with Waynesboro and their subcontractors, which would be challenging, and could lead to delays in completion of the project.

With approval of Amendment No. 1 to the Developer Agreement, ESM will be able to lock-in prices for the FF&E package, and hold the previously developed project budget. If this procurement is delayed, there will likely be price increases that will increase the overall project budget.

attachments: draft Amendment No. 1
October 24, 2023 Council Motion Sheet

cc: Michelle Hepburn
Ann Rotz

DEVELOPER AGREEMENT AMENDMENT #1

THIS AMENDMENT #1 (the "*Amendment #1*") to that **DEVELOPER AGREEMENT** (the "*Agreement*") that was entered into on March 13, 2023 (the "*Effective Date*"), by and between **Eastern Sports Management, LLC**, a Virginia limited liability company ("*Developer*") and **the City of Hagerstown, Maryland**, a political subdivision of the state of Maryland ("*Owner*") with its principal place of business located in Hagerstown, MD, is set forth below. This Amendment is made and entered into December 21, 2023. (the "*Amendment #1 Effective Date*")

RECITALS:

- A. Owner desires to add to Developer's Services as laid forth in Article I of the Agreement.
- B. Developer desires to provide such Additional Services to the Owner.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the mutual conditions and promises herein contained, the parties hereto agree as follows:

1. **Additional Services.** Developer agrees to provide the services to Owner set forth in the statement of work attached hereto as Schedule A (the "*Services*"), incorporated and made a part of this Agreement by reference. Developer warrants that it shall perform the Services: (a) using personnel of commercially reasonable skill, experience, and qualifications and (b) in a timely, workmanlike, and professional manner.
2. **Term.** The term of this Amendment #1 shall begin on the Effective Date and, unless sooner terminated pursuant to Article 8 of the Agreement, shall continue until the completion of the Services.
3. **Fees and Budget.** As consideration for the Services, Owner will pay Developer the fees and expense reimbursements (collectively the "*Fee*") in the amounts and in the manner set forth on Schedule B, which shall be incorporated and made a part of this Agreement by reference. Developer will purchase the items listed in the budget in Schedule B and will provide quotes and invoices to Owner for payment. Payment by Owner shall be promptly completed upon receipt by Owner of an invoice from Developer, but in no event more than Seven (7) days after receipt of invoice from the Developer. All late payments shall bear interest at the lesser of the rate of 1.5% per month or the highest rate permissible by law, calculated daily and compounded monthly. Owner must notice in writing any payment dispute to Developer within ten (10) days of the date of any invoice.
4. **Other Provisions.** All other terms and provisions of the Agreement remain in place for this Amendment.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first written above.

Developer:

EASTERN SPORTS MANAGEMENT, LLC,
a Virginia limited liability company

By: _____
John Wack, President

Notice Address:
725 Jackson Street, Suite 207
Fredericksburg, VA 22401
E-mail:
johnwack@easternsportsmanagement.com

Owner:

City of Hagerstown, MD

By: _____
_____, _____

Notice Address:

E-mail: _____

Schedule A

Services

1. Furniture, Fixtures, and Equipment (FFE) Procurement:
 - a. Establish FFE List with Budget
 - b. Work with the General Contractor to establish procurement and installation timeline.
 - c. Establish Bid thresholds in line with Owner procurement rules. Project budget will be divided into those items needing to go through a formal bid process and those that can go through an informal process.
 - d. Gather samples and arrange for vendor sales appointments where necessary. Arrange approvals with Owner and establish final specifications.
 - e. Generate Requests for Proposals (RFPs) for both formal and informal bid processes.
 - f. Assist Owner with RFP submittals and contract negotiation.
 - g. Coordinate production delivery schedules
 - h. Receive and Stage goods.
 - i. Manage Installation in coordination with GC
 - j. Reconcile Budget
 - k. Prepare and Deliver FFE Owner's Manual

Schedule B

Fees and Budget

SPORTS PACKAGE	
Sports Flooring	\$477,756.67
Basketball Backstops, Volleyball Standards, Curtains, Controls	\$390,796.58
Team Benches, Bleacher Seating	\$408,607.68
Glass Sport Wall Panels, Sports Wall Panels, Netting	\$396,035.14
Scoreboards, Shot Clocks	\$79,626.11
Column Pads, Wall Pads, Goals and Equipment	\$28,288.22
KITCHEN	
Concession Equipment and Buildout	\$678,625.93
IT/AV	\$767,040.23
Audio/Visual	\$130,963.97
Network Systems/Cabling/Security/Internet Wifi	\$636,076.26
FURNITURE	
Furniture	\$222,010.00
FITNESS	
Fitness Equipment	\$576,958.07
MISCELLANEOUS	
Laundry Equipment	\$3,500.00
Misc Sport Equipment	\$15,000.00
Heavy Equipment	\$1,000.00
IT Equipment	\$15,000.00
Janitorial Supplies	\$16,500.00
Office Supplies	\$1,500.00
Miscellaneous Equipment	\$5,000.00
Marketing Supplies	\$10,000.00
Totals	\$4,391,842.55*

*While the above are projected amounts and a line item may be more or less, the total budget will not exceed \$4,391,843.

REQUIRED MOTION

MAYOR & CITY COUNCIL HAGERSTOWN, MARYLAND

DATE: October 24, 2023

TOPIC: Award of contract for the Hagerstown Field House

Charter Amendment	_____
Code Amendment	_____
Ordinance	_____
Resolution	_____
Other	<u> X </u>

MOTION: I hereby move to take the following actions on the Hagerstown Field House project:

1. Approval of the award of the construction contract for the facility to Waynesboro Construction Company, Inc. in the amount of \$19,315,717.50. Also, the City approves the authorization of \$637,605 in additional expenditures to cover inspection and testing services, building system commissioning, and construction contingencies. The total authorization for construction and additional expenditures is \$19,953,322.50.
2. Approval of Amendment No. 3 to the previously approved Consulting Services Agreement between the City and Eastern Sports Management in the amount of \$213,930 to cover architectural project management services and geotechnical consulting during construction.
3. Authorization for the City to pay Eastern Sports Management up to \$440,000 in funds identified in the previously approved Developer's Agreement for project management and reimbursable expenses.

Funding for this project will be a combination of State Capital Grants, American Rescue Plan Act funds, State Strategic Demolition Fund Grants, Washington County Hotel/Motel funds, Local Funds, and future bond issues.

DATE OF INTRODUCTION: 10/24/2023

DATE OF PASSAGE: 10/24/2023

EFFECTIVE DATE: 10/24/2023

HAGERSTOWN FIELD HOUSE - PROJECT COSTS TO COMPLETE PROJECT

Waynesboro Construction Fee:	\$19,151,517
Add Alternates*	<u>\$164,200</u>
Subtotal=	\$19,315,717
FF&E and AV/IT	\$4,391,842
Inspection & Testing**	\$37,605
Project Management & reimburseables***	\$440,000
Commissioning****	\$100,000
Contingencies	<u>\$500,000</u>
Subtotal=	\$24,785,164
Amendment #3 to Consulting Services Contract	<u>\$213,930</u>
TOTAL =	\$24,999,094

* Assume that all three are accepted

** Triad - number is conservative with ECS also performing geotechnical consulting

*** Per Developer's Agreement

**** Placeholder for commissioning

DOCUMENT 00 4113

BID FORM - STIPULATED SUM (SINGLE-PRIME CONTRACT)

To: City of Hagerstown
Engineering Department
1 East Franklin Street
Hagerstown, MD 21740-4817

Project: City of Hagerstown, Hagerstown Field House
Hagerstown, MD

Date:

Submitted by:

1.1 OFFER

Having examined the Place of The Work and all matters referred to in the Instructions to Bidders and the Contract Documents prepared by Hughes Group Architects for the above mentioned project, we, the undersigned, hereby offer to enter into a Contract to perform the Work for the Sum of:

Indoor Multi-Sport Facility base bid

NINETEEN MILLION ONE HUNDRED FIFTY ONE dollars, in lawful money
of the United States of America. THOUSAND FIVE HUNDRED SEVENTEEN DOLLARS
AND FIFTY CENTS

Time to complete the work:

The furnishing of any and all labor and materials to do all of the work required to construct and complete said work in accordance with the Contract Documents are included in the Bid Sum.

1.2 ACCEPTANCE

This offer shall be open to acceptance and is irrevocable for ninety days from the bid closing date.

If this bid is accepted by the Owner within the time period stated above, we will:

Prepare the Contract

Execute the Agreement within seven days of receipt of acceptance of this bid.

Commence work upon, but not before written Notice to Proceed.

1.3 CHANGES TO THE WORK

When the Architect establishes that the method of valuation for Changes in the Work will be net cost plus a percentage fee in accordance with General Conditions, our percentage fee shall be:

15 percent overhead and profit on the net cost of the General Contractors' Work.

by 5 percent overhead and profit from the General Contractor on the gross cost of work done
any Subcontractor.

15 percent overhead and profit on the net cost of any Subcontractors work.

On work deleted from the Contract, our credit to the Owner shall be the Architect approved net
cost-plus 2 percent overhead and profit.

1.4 ADDENDA

The following Addenda have been received. The modifications to the Bid Documents noted
below have been considered and all costs are included in the Bid Price.

Addendum # 1 Dated 8/25/2023

Addendum # 2 Dated 9/1/2023

Addendum # 3 Dated 9/11/2023

Addendum # 4 Dated 9/13/2023

Addendum # 5 Dated 9/15/2023

Addendum # 6 Dated 9/25/2023

Bulletin #1 dated 9/22/2023

Bulletin #2 dated 10/2/2023

Bulletin #3 dated 10/2/2023

Additional Information: Refer to comment # 52 in Addendum #3.

1.5 UNIT PRICES: The prices below are beyond the amount required by the construction documents and the LUMP SUM bid and are contingent in nature. The owner will use this pricing to ensure adequate funding and to have options in dealing with various soil conditions encountered:

Description	Unit Price Bid
* Removal and Disposal offsite of Unsuitable Material	\$ 61.00 per cubic yard
Furnish and Install Structural Fill Borrow Soil	\$ 35.00 per cubic yard
Furnish Soil Modification/ Material (such as Quick Lime or equivalent) to Facilitate the Use of Onsite Soils in Structural Fills if Air Drying is Inadequate	\$ 710.00 per ton
Slab Subgrade Remediation (per FSA sketch where unsuitable soil exists deeper than two feet (2') below subgrade or undercuts recommended in ECS Geotechnical Report	\$ 50.00 per square yard
Removal and Disposal of Contaminated Material	\$ 87.00 per cubic yard
Removal and Disposal of Legacy Field Light and Building Foundation	\$ 135.00 per cubic yard

Asphalt Index on bid day is \$ 620.00 /Ton. Price adjustments, if warranted, will be based on Maryland State Highway procedures and formulas

*Undercut and backfill of footings and slab as recommended in the ECS Geotechnical Report shall be included in the overall LUMP SUM price. Removal of unsuitable soil and installation of replacement material below those undercut depths will be paid at these unit prices as directed by the Owner and the geotechnical engineer.

END ADDENDUM 03

NOTE: RFI's will be answered as quickly as possible but, depending on the complexity of the question, may not be answered in the sequential order as submitted and will be answered in a following Addendum.

Total Base Contract Sum		\$ 19,151,517.50	Does not include Permit Fee if any
Alternate #1		\$ 16,500.00	Double Wall Kitchen Duct in lieu of black iron
Alternate #2		\$ 16,300.00	Provide Sedona XM fabric duct in lieu of Verona
Alternate #3		\$ 131,400.00	Two way radio enhancement system
Mark-Up on Change Orders		5%	