

**TOWN OF VALDESE  
TOWN COUNCIL PUBLIC SAFETY BUILDINGS WORKSHOP  
OCTOBER 24, 2024**

The Town of Valdese Town Council met on Thursday, October 24, 2024, at 2:00 p.m., in the Town Council Chambers at Town Hall, 102 Massel Avenue SW, Valdese, North Carolina. The Council meeting was live-streamed on YouTube @townofvaldese. The following were present: Mayor Charles Watts, Mayor Pro Tem Gary Ogle, Councilwoman Rexanna Lowman, Councilwoman Heather Ward, Councilman Glenn Harvey, and Councilman Roger Heavner. Also present were: Interim Town Manager Bo Weichel, Town Clerk Jessica Lail, and various Department Heads.

Absent: None

A quorum was present.

Mayor Watts called the meeting to order at 2:00 p.m.

**DESIGN-BUILD PRESENTATION** Interim Town Manager Bo Weichel introduced Matt Robertson, Business Development Executive, and Scott Whelchel, Area Manager, from Wharton-Smith, Inc. Construction Group. They delivered an informative presentation on the design-build process, highlighting two collaborative delivery methods: Design-Build and Construction Management at Risk (CMAR). The presentation focused on the advantages of each method, emphasizing how they foster collaboration, streamline project management, and enhance overall efficiency.

Carolinas region  
Why collaborative delivery?

**locations**

- 40 years in business
- 18+ Years - Charlotte Office Location
- Commercial & Water/Wastewater Divisions
- Over \$2 Billion in Collaborative Delivery

- Charlotte, North Carolina
- Baton Rouge, Louisiana
- Sugar Land, Texas
- Pensacola, Florida
- Palm Beach Gardens, Florida
- Tampa, Florida
- Fort Myers, Florida
- North Port, Florida
- Sanford, Florida
- Merritt Island, Florida
- Jacksonville, Florida

**CMAR BASICS**

- The Owner still has Two Contracts
  - Architect/Engineers
  - CMAR (Contractor) (AIA A133-2019)
- The Owner still controls the design
- Qualifications based selection of GC (CMAR)
- Widely accepted delivery method throughout USA, often called Negotiated Contract.

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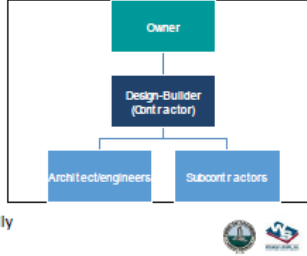
    graph TD
      Owner[Owner] --- AE[Architect/Engineers]
      Owner --- CMAR[CMAR (Contractor)]
      CMAR --- Subcontractors[Subcontractors]
    
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**CONSTRUCTION MANAGER ASSUMES THE RISK!**

- Guaranteed Maximum Price (GMP)
- Guaranteed Schedule
- Ownership in Design (Preconstruction Services)
- Subcontractor Performance
- Site Safety
- Quality Control
- Warranties

### Design/Build BASICS

- The Owner Contracts with One Entity
  - Design-Builder (DBIA 520/525 Two Step or DBIA 544 Progressive)
- The Design-Builder provides the Architectural/Engineering Design Services and Construction
- Qualifications based selection of Design Build Entity
- Widely accepted delivery method throughout USA and Internationally



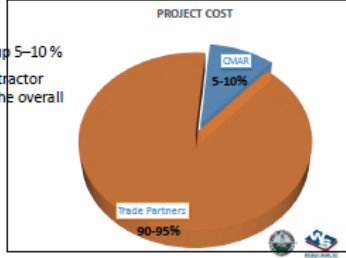
### Design-builder ASSUMES THE RISK!

- Budget is Critical - Guaranteed Maximum Price (GMP)
- Timeline is Critical - Guaranteed Schedule
- DB Owns the Schedule
- Increased Ownership in Design (Preconstruction Services)
- Subcontractor Performance— Option for DB Certain Trade Scopes
- Site Safety
- Quality Control
- Warranties



### Costs to the Project

- CM or DB Qualifications & Relationship Based makes up 5–10%
- Allows Competitive Subcontractor Procurement of 90-95% of the overall cost.



### CMAR-DB PRECONSTRUCTION SERVICES

- Collaborative Effort
  - CMAR - DB now has ownership in schedule and design
- CMAR - DB Design & Constructability Reviews
  - Allows ideas and innovation from GC
  - Allows input on available materials
- Value Engineering
  - Throughout project lifecycle
  - Early VE provides more value (100%)
  - Early VE avoids re-design fees or schedule impacts



### Progression to GMP



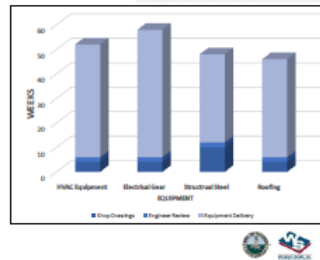
### PRECONSTRUCTION SERVICES

- | DB                                | CMAR  |
|-----------------------------------|---|
| Factor prior to design commencing | Ability to partner from early point in the design process |
|                                   | Control to increase amount design of scope                |
|                                   | Risk mitigation against value at risk                     |
- Reliable Cost Estimates and Project Schedules at 30/60/90% Design
    - Sets realistic expectations
    - Confirms allowable funding
    - Budget monitoring
    - Helps keep design on schedule
    - Extra input on design status



### CMAR PRECONSTRUCTION SERVICES

- Early Procurement
  - Engineer and CMAR-DB identify long lead equipment
  - CMAR-DB can purchase at 60% design to avoid delays
  - HVAC, Electrical Gear, Structure & Roofing



### Cost Control/Managing Cost Escalation

- Identify Long Lead Items & Consider Early GMP Release
- Mitigate Risk
- Assign Personnel to Expedite / Track / Verify during Procurement
- Communication



LONG LEAD ITEM	LEAD TIME
Emergency Generators	57 weeks
Switchboards	57 weeks
HVAC Equipment	52 weeks
Elevators	52 weeks
Telecomm & AV Systems	40 weeks
Panels (400+ Amp)	38 weeks
Impact Glass/Windows	35 weeks
Security Equipment	30 weeks
Fuel Tanks & Dispensers	30 weeks

**SUBCONTRACTOR SELECTION**

- Openly Advertised FOR Qualified Bidder's List
- CMAR-DB develops list with the Owner and Architect/Engineers input
- Include financially healthy firms
- Includes subcontractors with proven safety & quality



**SUBCONTRACTOR SELECTION**

**OPEN BOOK GMP Steps**

- STEP #1 DETERMINE WORK PACKAGES
- STEP #2 QUALIFIED BIDDER'S LIST
- STEP #3 BID PACKAGES
- STEP #4 RECEIVED BIDS
- STEP #5 BID EVALUATIONS

Item	Quantity	Unit	Unit Price	Total Price
Excavation	100	cu yd	12.00	1200.00
Foundation	50	sq ft	24.00	1200.00
Structure	1000	sq ft	10.00	10000.00
Roofing	1000	sq ft	8.00	8000.00
Interior	1000	sq ft	15.00	15000.00
Exterior	1000	sq ft	12.00	12000.00
MEP	1000	sq ft	18.00	18000.00
Paint	1000	sq ft	5.00	5000.00
Finishes	1000	sq ft	10.00	10000.00
Site Work	1000	sq ft	15.00	15000.00
Utilities	1000	sq ft	12.00	12000.00
Landscaping	1000	sq ft	8.00	8000.00
Other	1000	sq ft	10.00	10000.00
<b>Total</b>				<b>100000.00</b>



**GUARANTEED MAXIMUM PRICE**

- Subcontractors and Supplier Bids
  - Competitively bid
  - Thoroughly vetted before award
  - Schedules and value engineering ideas
- General Conditions (Open Book)
  - Management Staff
  - Construction Facilities
  - Builder's Risk Insurance
- Bonds & Insurance (Open Book)
- CM-DB Fee (Negotiated)
- Contingency



**BEST VALUE**

- Inherent Cost Savings with the Right CMAR-DB
  - Lower bond rates
  - Lower insurance rates
  - Local GC & Subcontractors
  - Value management
  - Shared project savings go back to the Owner!



**EXPEDITED SCHEDULE**

- CM-DB is already under Contract at time of Design Completion (saves months in procurement)
- Utilize CPM Scheduling from onset of Design
- CMAR-DB identifies key Design Milestones that affect schedule
- Jointly evaluate Permitting Schedule and Impacts
- Start Procurement in Critical Areas before Design is Complete



**CMAR**

**Advantages**

- Accurate Cost Data
  - Allow for course correction
- Cooperative Team Environment with Inherent Checks and Balances
- CMAR looks-out for Owner's Interest During Change Orders
- Logical Freedom when well planned
- High Level of Quality Control
- Quality Subcontractors
- High Level of Manpower Control
- Shared Savings Between Contractor and Owner
- Change orders limited compared to DBB

**Disadvantages**

- Slower delivery than DB
- Opportunity for disagreements still exist
- Additional documentation required for the CMAR
- Learning curve when new concept for owner



**Design-build**

**Advantages**

- Single Source of Responsibility
- Accurate Cost Data
  - Allow for course correction
- Cooperative Team Environment
- Cooperation processes reduce project timeline/ schedule
- DB looks-out for Owner's Interest During Change Orders
- Logical Freedom when well planned
- High Level of Quality Control
- Quality Subcontractors
- High Level of Manpower Control
- Shared Savings Between Contractor and Owner

**Disadvantages**

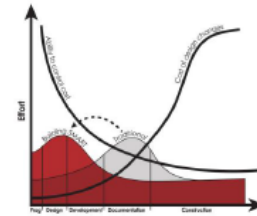
- Perception that too much control is in the hands of DB contractor
- Owner may be kept at "arms length" from the architect/engineers
- Some change orders may occur but typically owner generated
- Learning curve when new concept for owner



**Building smart**

**Building Smart Alliance (now BIMCouncil)**

- Estimated that up to 10% of the building process is consumed in waste
- Estimated that 10% of projects end over budget and over schedule



**RESULTS**

Team Centered Approach

No Change Orders/Claims

Highest Quality

Expedited Delivery

Safe Execution



**THANK YOU**



Scott Wheelchel  
Area Manager

Joseph Willard  
Senior Preconstruction Services Manager

Matt Robertson  
Business Development Executive

**Q & A WITH WHARTON-SMITH** Councilman Harvey inquired about the scope and size of projects Wharton-Smith typically undertakes, specifically regarding budget, square footage, and whether projects involve new construction or renovation. Mr. Whelchel explained that Wharton-Smith focuses on partnering with clients who are invested in the community and value collaborative project delivery. He noted that their preferred projects include Public Safety facilities, Town Halls, K-12 schools, and other buildings that serve the public good. While the company is not well suited for small projects, like replacing carpet or jobs valued around \$15,000, Mr. Whelchel did not specify a minimum dollar amount for their projects.

Interim Town Manager Bo Weichel asked about the cost differences between the Design-Build and CMAR contract methods. Mr. Whelchel outlined the general steps involved in each process but did not provide a specific cost comparison. Mr. Weichel also questioned whether the Statement of Criteria needed to include a budget figure. Mr. Whelchel clarified that it is flexible—budget numbers can be included if preferred but are not a strict requirement.

**Q & A WITH WACO FIRE CHIEF BRENT GORDON** Chief Brent Gordon, retired from the Charlotte Fire Department after 30 years, serves as the fire chief for both Waco and Bessemer City. He recounted Waco Fire Department's complex journey to building a new fire station, a process that began around 2011. As a cash-limited 501(c)(3) organization, they initially explored a traditional bid approach but ultimately opted for a design-build model to control costs and quality. Renovating the outdated 1963 station was infeasible due to strict modern building codes for critical infrastructure, so they acquired property and hired a contractor, Crescent Construction, along with architect John Palmer. The station, built for approximately \$1.76 million, is 15,000 square feet with five bays (rated as 10 due to drive-through access) and 6,000 square feet of living quarters. Overruns added \$146,000, mainly due to unexpected site conditions like septic tanks and wells, plus design changes. Chief Gordon noted the importance of contingency funds to handle such surprises. Moving into the new facility was intentionally scheduled for September 11, 2017, in honor of the significance of that date in fire service history. Currently, the cost to replicate this facility is estimated at around \$3 million, excluding furniture and equipment. Chief Gordon advised that if any grading is required, a geotechnical firm should be engaged to drill the site and check for potential issues with rock or soil quality. He noted that Waco's grading cost totaled \$143,129. Chief Gordon fully supported using a metal building for the station. Councilman Harvey inquired about the possibility of the Town of Valdese utilizing Waco's plans and specifications. Chief Gordon explained that while he has no objections, the architect owns the plans, so they would need to be stamped specifically for Valdese. He emphasized the importance of designing the station as a 50-year building, recommending that the Council consider not only current needs but also future requirements. He added that involving the Fire Chief and Fire Department is essential in guiding these decisions to ensure the building meets long-term operational needs.

**ADOPTION OF DESIGN-BUILD ESTABLISHMENT OF CRITERIA – POLICE DEPARTMENT RENOVATION** Interim Town Manager Bo Weichel explained that a Criteria Statement must be approved as a prerequisite to proceeding with a design-build process. During the discussion, Council deliberated on whether the Criteria Statement should include a budget figure. Mr. Weichel shared that Wharton-Smith confirmed the budget could be left out if preferred, adding that, in hindsight, he would have omitted a budget figure to allow contractors to assess the building and propose their own estimates.

Councilwoman Ward expressed that she would have preferred to table the budget number until more details were clarified and suggested holding another workshop. Councilwoman Lowman inquired whether the Facilities Review Committee planned to meet again, and Councilman Heavner noted they could convene if needed. Mayor Watts asked if Council should retain the dollar amount in the Criteria Statement, and Council agreed to remove it. Additionally, Councilman Harvey proposed amending the statement to indicate that the Town, rather than the police department, is submitting the Criteria Statement. Mr. Weichel then asked if Council wished to approve the revised document immediately or take more time to consider it.

Town of Valdese  
Police Department Renovation Design-Build Criteria Statement

Title of Item:

Establishment of criteria for a design-build delivery method for construction contracts and approval of using the design-build delivery method for the Police Department renovation project.

Explanation:

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In accordance with Session Law 2013-401 (HB 857) and NCGS 143-128.1A (b) regarding the addition of design-build delivery method for construction projects, the Police Department is submitting, for approval, the criteria that the Town must establish to utilize this method of delivery. Additionally, the Police Department is requesting approval to utilize the design-build method of delivery for the renovation and additions to the Police Department building on Main St. Due to the need for the project to be complete by early summer 2025. This delivery method will provide the needed flexibility to complete the project on time and within budget without sacrificing quality.

Part 1. Establishment of Criteria. On August 23, 2013, the Governor signed into law Session Law 2013-401. House Bill 857, authorizing governmental entities to utilize the design-build delivery method for construction contracts. The first step in the process for utilizing the design-build delivery method is that a governmental entity is to establish in writing the criteria used for determining the circumstances under which the design-build method is appropriate for a project. The criteria proposed are the following:

(Criteria 1) The extent to which the Town can adequately and thoroughly define the project requirements prior to the issuance of the request for qualifications (RFQ) for a design-builder.

The design-build delivery method may be used if it is determined that, for the project, the Town has professional personnel that are both qualified and experienced to thoroughly define project requirements prior to the issuance of a request for qualifications for a design-builder. Consideration will be given to the qualifications and experience of the personnel in the Police Department, Facilities Review Committee, Town Council, and the availability of professional personnel in the areas of purchasing, finance and legal to assist in the development of an RFQ.

(Criteria 2) The time constraints for the delivery of the project. The design-build delivery method may be used if a project has a firm date by which a facility must be operational and the normal delivery method is likely not to be timely (typically RFQ, study, design, bid and construct). The size and cost of a project will dictate complexity and schedule.

(Criteria 3) The ability to ensure that a quality project can be delivered. The design-build delivery method may be used if it is determined that, for the project, the Town has access to professional and experienced personnel to ensure that the design-build firm will provide a quality project within the budget constraints established by Council. Consideration will be given to the qualifications and experience of the personnel in the Police Department, Facilities Review Committee, Town Council, and hired professional services if necessary.

(Criteria 4) The capability of the Town to manage and oversee the project, including the availability of experienced staff or outside consultants who are experienced with the design-build method of project delivery. The design-build delivery method may be used if it is determined that, for the project, the Town has professional and experienced personnel that are knowledgeable of design-build projects or, alternatively, experienced consultants local to Valdese are available to be retained to perform the construction management of a design-build contract.

(Criteria 5) A good-faith effort to comply with G.S. 143-128.2, G.S. 143-128.4, and to recruit and select small business entities. The design-build delivery method may be used if it is determined that, for the project, requirements will be imposed which ensure that contractors will comply with the M/WBE goals.

(Criteria 6) The criteria utilized by the Town, including a comparison of the costs and benefits of using the design-build delivery method for a given project in lieu of the other delivery methods identified. The criteria utilized by the Town when considering a design-build delivery method for a project will be as follows:

- Is the project well defined and does it include qualitative and quantitative characteristics that make a design-build contract more appropriate than other methods of delivery?
- Is the project timeline overly constrained and will it be necessary to have the facility complete and operational within a short timeframe?
- Will it be necessary to have beneficial use of a portion of the facility while it is under construction?
- Given the scope of the project, is there a maximum budget that must be adhered to allow negotiations and flexibility to make appropriate decisions on scope as the project progresses?
- Does the design-build delivery method meet the ultimate operational goals established for a given facility and the quality of product achieved because of a more fluid and flexible delivery method?

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In general terms, if it is determined that the expected expense of a design-build project will be no more than ten (10%) greater than the expected expense of a traditional RFQ, study, design, bid and construct project, the design-build delivery method may be utilized.

Part 2. Applying the criteria to the Convention Center Renovation and Addition Project. The second step for the process in determining whether to use the design build delivery method for a project is to apply the criteria to the project. In applying the criteria for the Police Department renovation project, it is recommended that the design-build delivery method be used for this project. This determination is based upon a review of the above criteria as it relates to this project as follows:

(Criteria 1) Through the Police Department, Facilities Review Committee, Town Council, and hired professional services, if necessary, the Town has professional personnel that are both qualified and experienced to thoroughly define project requirements prior to the issuance of a request for qualifications for a design builder. Additionally, professional personnel are available in the areas of purchasing, finance and legal services to assist in the development of an RFQ.

(Criteria 2) The Valdese Police Department requires renovation to establish an efficient process of operations to keep the community safe. In order to rehabilitate this facility so that outside regulating agency requirements are met, and the Police personnel can effectively perform their duties, the construction must be completed by July 2025. This is a period of approximately 10 months. Typical procedure would be to procure a design consultant, complete design and then undertake construction. This process would take approximately 12-18 months thus preventing the Police Department from meeting the stated expectations. The Design-Build process provides the best option for the Town to meet this timeframe.

(Criteria 3) Within the Police Department, Facilities Review Committee, Town Council, and hired professional services, the Town has professional and experienced personnel to ensure that the design-build firm will provide a quality project within the budget constraints established by Council.

(Criteria 4) Should it become necessary to contract the construction management of a design-build contract, there are experienced consultants local to Valdese that are available.

(Criteria 5) In developing an RFQ and interviewing selected firms, the Town will put forth a good- faith effort to comply with G.S. 143-128.2, G.S. 143-128.4.

(Criteria 6) As stated under Criteria #2, one of the benefits of the Design-Build process is that it may reduce the overall project schedule by 8 months. This has a direct benefit on the project budget. The design-build delivery method is not expected to involve any additional expense than the expected expense of a traditional RFQ, study, design, bid. and construct project. By reducing the time frame by 8 months, we are eliminating the price escalation that would occur within that year. Additionally, the scope of the design efforts will be reduced. This enables more of the approved project budget to go directly towards the physical improvements of the facility. Total project budget is \$1,750,000, which is lower than initial estimates of traditional design-bid-build. It is expected that the design-build process will enable an extra 5% of existing funds to be allocated to the construction over what our typical design-bid-build process would allow. These benefits to both the project schedule and cost make the design-build option more appealing than the more conventional design-bid-build in this instance.

**Fiscal Note:**

There is no fiscal impact to the establishment of this policy and approval of the utilization of design- build delivery method.

**Recommendation:**

Approve the criteria for the use of the design-build delivery method and authorize Town staff to move forward with use of the design-build delivery method for the renovations and additions to the Police Department facility. END

**APPROVAL OF RFQ DESIGN BUILD – POLICE DEPARTMENT RENOVATION** Mr. Weichel explained that the upcoming RFQ would be directed toward general contractors. Councilman Harvey then questioned the funding source for the Police Department renovations, to which Mr. Weichel recommended utilizing reserve funds. He estimated the reserve at \$6.9 million, noting that covering both the renovations and the pool structure would reduce the balance to approximately \$4.9 million. Council discussed other funding

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options, with Councilman Harvey observing that the project has evolved significantly. He suggested that constructing a Police Department addition to Town Hall with a Sally Port, or potentially a new facility joining both Fire and Police Departments, might be more cost-effective than renovating the 58-year-old Main Street building. He questioned if the renovation was truly the best path forward, especially given potential unknowns that could arise once walls are opened.

Councilwoman Ward emphasized the importance of moving forward without further delays. Councilwoman Lowman recapped the long history of planning for a new public safety building and urged Council to make a decisive move. Mayor Watts recommended deferring the decision to the November 4 Council meeting, while Councilwoman Ward requested an additional workshop. Councilman Harvey raised concerns that Hurricane Helena could disrupt the RFQ timeline, and Mayor Watts agreed to work with Mr. Weichel to develop a schedule, inviting Council members to submit any questions in advance. Councilman Heavner stressed the importance of doing it right with whatever is decided. Ultimately, Mr. Weichel confirmed that both the Criteria Statement and the RFQ would be paused, with no vote taken at this time.

**ADJOURNMENT:** At 4:38 p.m., there being no further business to come before Council, Councilman Ogle made a motion to adjourn, seconded by Councilwoman Ward. The vote was unanimous.

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Town Clerk

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Mayor

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