



**KANNAPOLIS CITY COUNCIL
WORK SESSION AGENDA
Kannapolis City Hall
401 Laureate Way, Kannapolis NC
March 13, 2017
6:00 PM**

Please turn off cell phones or place on silent mode.

CALL TO ORDER AND WELCOME

ADOPTION OF AGENDA - Motion to Adopt Agenda or make revisions

CONSENT AGENDA - Motion to Adopt Consent Agenda or make revisions

1. Audit Contract for Fiscal Year beginning July 1, 2016 through June 2017 (**Eric Davis, Finance Director**)

BUSINESS AGENDA

1. Presentation of the Downtown Kannapolis Public Realm Vision Book (**Wilmer Melton, III, Director of Public Works**)
2. Construction Manager at Risk Contract for Sports and Entertainment Venue and Downtown Infrastructure Project (**Mike Legg, City Manager, Eddie Smith, Deputy City Manager, Walter M. Safrit, II, City Attorney**)
3. Brailsford & Dunlavey Professional Services Agreement (**Mike Legg, City Manager**)
4. Resolution supporting the new transportation projects for the Cabarrus-Rowan Metropolitan Planning Organization Regional Priority Highway List for P4.0 STIP scoring and funding (**Wilmer Melton, III, Director of Public Works**)

STAFF UPDATES

CITY COUNCIL COMMENTS

CLOSED SESSION

G.S. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney-client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area (**Mayor Pro tem Wilson**)

ADJOURN

UPCOMING SCHEDULE

March 27, Business Meeting
April 10, Workshop Meeting
April 24, Business Meeting

In accordance with ADA regulations, anyone in need of an accommodation to participate in the meeting should notify the ADA coordinator at tcline@kannapolisnc.gov or 704-920-4302 at least forty-eight (48) hours prior to the meeting.



**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: Eric Davis, Finance Director
TITLE: Audit Contract for Fiscal Year 2016-2017

A. Action Requested by City Council

Motion to approve the audit contract for Fiscal Year beginning July 1, 2016 through June 30, 2017

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

Each year as required by NC Statue 159-34 the City is audited. The State requires board approval of the audit contract. The attached contract is with Martin, Starnes and Associates, CPAs to perform this years audit. Over the past several years the Finance Department has been satisfied with their work and would like to continue to use them for the audit.

D. Fiscal Considerations

The contract is for \$36,650.

E. Policy Issues

None

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation
--

- 1. Approve the Audit Contract for Fiscal Year beginning July 1, 2016 through June 30, 2017 (Recommended)**
2. Do not approve the audit contract

H. Issue Reviewed By

ATTACHMENTS:

File Name

- ☐ City_of_Kannapolis_-_2017_Single_Audit_Engagement_Letter.pdf
- ☐ City_of_Kannapolis_-_2017_Audit_Contract.pdf

MARTIN ♦ STARNES

& ASSOCIATES, CPAs, P.A.

"A Professional Association of Certified Public Accountants and Management Consultants"

February 20, 2017

Eric Davis, Finance Director
City of Kannapolis
401 Laureate Way
Kannapolis, NC 28081

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kannapolis, NC, as of June 30, 2017, and for the year then ended, and the related notes to the financial statements, which collectively comprise the City of Kannapolis' basic financial statements as listed in the table of contents.

In addition, we will audit the entity's compliance over major federal and State award programs for the period ended June 30, 2017. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audits will be conducted with the objectives of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal and State award programs.

Accounting principles generally accepted in the United States of America require that certain supplementary information, such as Management's Discussion and Analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis
- Law Enforcement Officers' Special Separation Allowance schedules
- Other Post-Employment Benefits schedules
- Local Government Employees' Retirement System's schedules

Supplementary information other than RSI will accompany the City of Kannapolis' basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the supplementary information to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on the following supplementary information in relation to the financial statements as a whole:

- Combining and individual fund financial statements
- Budgetary schedules
- Other schedules
- Schedule of Expenditures of Federal and State Awards

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and our auditor's report will not provide an opinion or any assurance on that other information:

- Introductory information
- Statistical section

Schedule of Expenditures of Federal and State Awards

We will subject the Schedule of Expenditures of Federal and State Awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the Schedule of Expenditures of Federal and State Awards is presented fairly in all material respects in relation to the financial statements as a whole.

Data Collection Form

Prior to the completion of our engagement, we will complete the sections of the Data Collection Form that are our responsibility. The form will summarize our audit findings, amounts and conclusions. It is management's responsibility to submit a reporting package including financial statements, Schedule of Expenditures of Federal and State Awards, summary schedule of prior audit findings and corrective action plan along with the Data Collection Form to the Federal Audit Clearinghouse. The financial reporting package must be text searchable, unencrypted, and unlocked. Otherwise, the reporting package will not be accepted by the Federal Audit Clearinghouse. We will assist you in the electronic submission and certification. You may request from us copies of our report for you to include with the reporting package submitted to pass-through entities.

The Data Collection Form is required to be submitted within the *earlier* of 30 days after receipt of our auditors' reports or nine months after the end of the audit period, unless specifically waived by a federal cognizant or oversight agency for audits. Data Collection Forms submitted untimely are one of the factors in assessing programs at a higher risk.

Audit of the Financial Statements

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. If appropriate, our procedures will therefore include tests of documentary evidence that support the transactions recorded in the accounts, tests of the physical existence of inventories, the direct confirmation of cash, investments, and certain other assets and liabilities by correspondence with creditors and financial institutions. As part of our audit process, we will request written representations from your attorneys, and they may bill you for responding. At the conclusion of our audit, we will also request certain written representations from you about the financial statements and related matters.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance (whether caused by errors, fraudulent financial reporting, misappropriation of assets, detected abuse, or violations of laws or governmental regulations) may not be detected exists, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America. Please note that the determination of abuse is subjective and *Government Auditing Standards* does not require auditors to detect abuse.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit. Our responsibility as auditors is, of course, limited to the period covered by our audit and does not extend to any other periods.

We will issue a written report upon completion of our audit of the City of Kannapolis' basic financial statements. Our report will be addressed to the governing body of the City of Kannapolis. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

Audit of Major Program Compliance

Our audit of the City of Kannapolis' major federal and State award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; the Uniform Guidance, and the State Single Audit Implementation Act, and will include tests of accounting records, a determination of major programs in accordance with the Uniform Guidance and the State Single Audit Implementation Act and other procedures we consider necessary to enable us to express such an opinion on major federal and State award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

The Uniform Guidance and the State Single Audit Implementation Act require that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal and State award programs. Our procedures will consist of determining major federal and State programs and performing the applicable procedures described in the U.S. Office of Management and Budget *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Act.

Also, as required by the Uniform Guidance and the State Single Audit Implementation Act, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal and State award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal and State award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

Management's Responsibilities

Our audit will be conducted on the basis that management and, when appropriate, those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. For safeguarding assets;
4. For identifying all federal and State awards expended during the period including federal awards and funding increments received prior to December 26, 2014, and those received in accordance with the Uniform Guidance generally received after December 26, 2014;
5. For preparing the Schedule of Expenditures of Federal and State Awards (including notes and noncash assistance received) in accordance with the Uniform Guidance and State Single Audit Implementation Act requirements;
6. For the design, implementation, and maintenance of internal control over compliance;
7. For identifying and ensuring that the entity complies with laws, regulations, grants, and contracts applicable to its activities and its federal and State award programs and implementing systems

- designed to achieve compliance with applicable laws, regulations, grants and contracts applicable to activities and its federal and State award programs;
8. For identifying and providing report copies of previous audits, attestation engagements, or other studies that directly relate to the objective of the audit, including whether related recommendations have been implemented;
 9. For addressing the findings and recommendations of auditors, for establishing and maintaining a process to track the status of such findings and recommendations and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
 10. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
 11. For submitting the reporting package and data collection form to the appropriate parties;
 12. For making the auditor aware of any significant vendor/contractor relationships where the vendor/contractor is responsible for program compliance;
 13. To provide us with:
 - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal and State award programs, such as records, documentation, and other matters;
 - b. Additional information that we may request from management for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
 14. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole; and
 15. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets; and
 16. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility (a) for the preparation of the supplementary information in accordance with the applicable criteria, (b) to provide us with the appropriate written representations regarding supplementary information, (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information, and (d) to present the supplementary information with the audited financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and, when appropriate, those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.

We will provide copies of our reports to the City of Kannapolis; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Fees

Marcie Spivey is the engagement partner for the audit services specified in this letter. Her responsibilities include supervising Martin Starnes & Associates, CPAs, P.A.'s services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report. To ensure that our independence is not impaired under the AICPA Code of Professional Conduct, you agree to inform the engagement partner before entering into any substantive employment discussions with any of our personnel.

Our fees for these services are stated in the Contract to Audit Accounts. Our invoices for these fees will be rendered in four installments as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for non-payment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our reports. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use the City of Kannapolis' personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

We want our clients to receive the maximum value for our professional services and to perceive that our fees are reasonable and fair. In working to provide you with such value, we find there are certain circumstances that can cause us to perform work in excess of that contemplated in our fee estimate.

Following are some of the more common reasons for potential supplemental billings:

Changing Laws and Regulations

There are many governmental and rule-making boards that regularly add or change their requirements. Although we attempt to plan our work to anticipate the requirements that will affect our engagement, there are times when this is not possible. We will discuss these situations with you at the earliest possible time in order to make the necessary adjustments and amendments in our engagement.

Incorrect Accounting Methods or Errors in Client Records

We base our fee estimates on the expectation that client accounting records are in order so that our work can be completed using our standard testing and accounting procedures. However, should we find numerous errors, incomplete records, or the application of incorrect accounting methods, we will have to perform additional work to make the corrections and reflect those changes in the financial statements.

Failure to Prepare for the Engagement

In an effort to minimize your fees, we assign you the responsibility for the preparation of schedules and documents needed for the engagement. We also discuss matters such as availability of your key personnel, deadlines, and work space. If your personnel are unable, for whatever reasons, to provide these items as previously agreed upon, it might substantially increase the work we must do to complete the engagement within the scheduled time.

Starting and Stopping Our Work

If we must withdraw our staff because of the condition of the client's records, or the failure to provide agreed upon items within the established timeline for the engagement, we will not be able to perform our work in a timely, efficient manner, as established by our engagement plan. This will result in additional fees, as we must reschedule our personnel and incur additional start-up costs.

The contract fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our fees for such services range from \$75-\$300 per hour.

Other Matters

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The audit documentation for this engagement is the property of Martin Starnes & Associates, CPAs, P.A. and constitutes confidential information. However, we may be requested to make certain audit documentation available to the Local Government Commission, Office of the State Auditor, federal or State agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Martin Starnes & Associates, CPAs, P.A.'s personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature. With respect to any nonattest services we perform, the City of Kannapolis' management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Government Auditing Standards require that we document an assessment of the skills, knowledge, and experience of management, should we participate in any form of preparation of the basic financial statements and related schedules or disclosures as these actions are deemed a non-audit service.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

You agree to inform us of facts that may affect the financial statements of which you may become aware during the period from the date of the auditor's report to the date the financial statements are issued.

At the conclusion of our audit engagement, we will communicate to management and those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm to the Contract to Audit Accounts for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements and compliance over major federal and State award programs, including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

Martin Starnes & Associates, CPAs, P.A.

Martin Starnes & Associates, CPAs, P.A.
Hickory, North Carolina

RESPONSE:

This letter correctly sets forth the understanding of the City of Kannapolis.

Acknowledged and agreed on behalf of the City of Kannapolis by:

Name: _____

Title: _____

Date: _____

CONTRACT TO AUDIT ACCOUNTS

Of City of Kannapolis, NC
Primary Governmental Unit

N/A

Discretely Presented Component Unit (DPCU) if applicable

On this 20th day of February, 2017,

Auditor: Martin Starnes & Associates, CPAs, P.A. Auditor Mailing Address: _____

730 13th Avenue Dr. SE, Hickory, NC 28602 Hereinafter referred to as The Auditor

and City Council (Governing Board(s)) of City of Kannapolis, NC
 (Primary Government)

and N/A : hereinafter referred to as the Governmental Unit(s), agree as follows:
 (Discretely Presented Component Unit)

1. The Auditor shall audit all statements and disclosures required by generally accepted accounting principles (GAAP) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit (s) for the period beginning July 1, 2016, and ending June 30, 2017. The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion will be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with generally accepted auditing standards. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit and auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC CPA Board).

County and Multi-County Health Departments: The Office of State Auditor will designate certain programs that have eligibility requirements to be considered major programs in accordance with OMB *Uniform Guidance* for the State of North Carolina. The LGC will notify the auditor and the County and Multi-Health Department of these programs. A County or a Multi-County Health Department may be selected to audit any of these programs as major.

3. If an entity is determined to be a component of another government as defined by the group audit standards - the entity's auditor will make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unqualified opinion being rendered. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he has met the requirements for a peer review and continuing education as specified in *Government*

Discretely Presented Component Units (DPCU) if applicable

Auditing Standards. The Auditor agrees to provide a copy of their most recent peer review report regardless of the date of the prior peer review report to the Governmental Unit and the Secretary of the LGC prior to the execution of the audit contract (See Item 22). **If the audit firm received a peer review rating other than pass**, the Auditor shall not contract with the Governmental Unit without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to Government Accounting Standards or if financial statements are not prepared in accordance with GAAP and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment..

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to the State and Local Government Finance Division (SLGFD) within four months of fiscal year end. Audit report is due on: October 31, 2017. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay must be submitted to the secretary of the LGC for approval.
7. It is agreed that generally accepted auditing standards include a review of the Governmental Unit's systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor will make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his findings, together with his recommendations for improvement. That written report must include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. **Invoices for services rendered under these contracts shall not be paid by the Governmental Unit until the invoice has been approved by the Secretary of the LGC.** (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work must be submitted by email in PDF format to the Secretary of the LGC for approval. The invoices must be sent via upload through the current portal address: <http://nctreasurer.slgfd.leapfile.net> Subject line should read "Invoice – [Unit Name]. The PDF invoice marked 'approved' with approval date will be returned by email to the Auditor to present to the Governmental Unit for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.
9. In consideration of the satisfactory performance of the provisions of this contract, the Primary Governmental Unit shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any cost the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (Federal and State grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. (Note: **Fees listed on signature pages.**)
10. If the Governmental Unit has outstanding revenue bonds, the Auditor shall include documentation either in the notes to the audited financial statements or as a separate report submitted to the SLGFD along with the audit report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor should be aware that any other bond compliance statements or additional reports required in the authorizing bond documents need to be submitted to the SLGFD simultaneously with the Governmental Unit's audited financial statements unless otherwise specified in the bond documents.

11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the client or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board as soon as practical after the close of the accounting period.
12. If the audit firm is required by the NC CPA Board or the Secretary of the LGC to have a pre-issuance review of their audit work, there must be a statement added to the engagement letter specifying the pre-issuance review including a statement that the Governmental Unit will not be billed for the pre-issuance review. The pre-issuance review must be performed **prior** to the completed audit being submitted to the LGC. The pre-issuance report must accompany the audit report upon submission to the LGC.
13. The Auditor shall electronically submit the report of audit to the LGC as a text-based PDF file when (or prior to) submitting the invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the SLGFD by any interested parties. Any subsequent revisions to these reports must be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings, by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and other lawful purposes of the Governmental Unit without subsequent consent of the Auditor. If it is determined by the LGC that corrections need to be made to the Governmental Unit's financial statements, they should be provided within three days of notification unless another time frame is agreed to by the LGC.

If the OSA designates certain programs to be audited as major programs, as discussed in item #2, a turnaround document and a representation letter addressed to the OSA shall be submitted to the LGC.

The LGC's process for submitting contracts, audit reports and invoices is subject to change. Auditors should use the submission process in effect at the time of submission. The most current instructions will be found on our website: <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be varied or changed to include the increased time and/or compensation as may be agreed upon by the Governing Board and the Auditor
15. If an approved contract needs to be varied or changed for any reason, the change must be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee. This amended contract needs to be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract, and then must be submitted through the audit contract portal to the Secretary of the LGC for approval. The portal address to upload your amended contract is <http://nctreasurer.slgfd.leapfile.net>. No change shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.
16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit should be attached to the contract, and by reference here becomes part of the contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item #25 of this contract. Engagement letters containing indemnification clauses will not be approved by the LGC.

17. Special provisions should be limited. Please list any special provisions in an attachment.
18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU must be named along with the parent government on this audit contract. Signatures from the DPCU Board chairman and finance officer also must be included on this contract.
19. The contract must be executed, pre-audited, physically signed by all parties including Governmental Unit and Auditor signatures and submitted in PDF format to the Secretary of the LGC. The current portal address to upload your contractual documents is <http://nctreasurer.slgfd.leapfile.net>. Electronic signatures are not accepted at this time. Included with this contract are instructions to submit contracts and invoices for approval as of November 2016. These instructions are subject to change. Please check the NC Treasurer's web site at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx> for the most recent instructions.
20. The contract is not valid until it is approved by the LGC Secretary. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. **The audit should not be started before the contract is approved.**
21. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.
22. **E-Verify.** Auditor **shall comply** with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor **shall require** such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
23. Contractor hereby certifies that Contractor, and all subcontractors, are not on the Iran Final Divestment List ("List") created by the North Carolina State Treasurer pursuant to N.C.G.S. 147-86.58. Contractor shall not utilize any subcontractor that is identified on the List.
25. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted: (See Item 16 for clarification).

SIGNATURE PAGES FOLLOW

Contract to Audit Accounts (cont.)

City of Kannapolis, NC

Primary Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

City of Kannapolis, NC

- FEES

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards]

Audit \$29,550

Preparation of the annual financial Statements \$7,100

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ 27,487.50

** NA if there is to be no interim billing

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

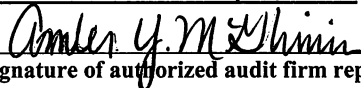
Audit Firm Signature:

Martin Starnes & Associates, CPAs, P.A.

Name of Audit Firm

By Amber Y. McGhinnis, Senior Audit Manager

Authorized Audit firm representative name: Type or print



Signature of authorized audit firm representative

Date February 20, 2017

amcghinnis@martinstarnes.com

Email Address of Audit Firm

Governmental Unit Signatures:

Name of Primary Government

By Milton D. Hinnant, Mayor

Mayor / Chairperson: Type or print name and title

Signature of Mayor/Chairperson of governing board

Date

By N/A

Chair of Audit Committee - Type or print name

N/A

**

Signature of Audit Committee Chairperson

Date N/A

** If Governmental Unit has no audit committee, mark this section "N/A"

City of Kannapolis, NC

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28

(a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By Eric Davis, Finance Director

Primary Governmental Unit Finance Officer:

Type or print name

Primary Government Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

edavis@kannapolisnc.gov

Email Address of Finance Officer

Date Primary Government Governing Body
Approved Audit Contract - G.S. 159-34(a)

Contract to Audit Accounts (cont.)

City of Kannapolis, NC

Primary Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

**** This page to only be completed by Discretely Presented Component Units ****

N/A

FEES

Year-end bookkeeping assistance – [For audits subject to Government Auditing Standards, this is limited to bookkeeping services permitted by revised Independence Standards] N/A

Audit N/A

Preparation of the annual financial Statements N/A

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees above. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee.

The 75% cap for interim invoice approval for this audit contract is \$ N/A

**** NA if there is to be no interim billing**

Communication regarding audit contract requests for modification or official approvals will be sent to the email addresses provided in the spaces below.

DPCU Governmental Unit Signatures:

N/A

Name of Discretely Presented Component Unit

By N/A

DPCU Board Chairperson: Type or print name and title

N/A

Signature of Chairperson of DPCU governing board

Date N/A

By N/A

Chair of Audit Committee - Type or print name

N/A

**

Signature of Audit Committee Chairperson

Date N/A

**** If Governmental Unit has no audit committee, mark this section "N/A"**

N/A

PRE-AUDIT CERTIFICATE: Required by G.S. 159-28 (a)

This instrument has been pre-audited in the manner required by The Local Government Budget and Fiscal Control Act or by the School Budget and Fiscal Control Act. Additionally, the following date is the date this audit contract was approved by the governing body.

By N/A

DPCU Finance Officer:

Type or print name

N/A

DPCU Finance Officer Signature

Date

(Pre-audit Certificate must be dated.)

N/A

Email Address of Finance Officer

Date DPCU Governing Body Approved Audit Contract - G.S. 159-34(a)

N/A

Steps to Completing the Audit Contract

1. Complete the Header Information – **NEW: If a DPCU is subject to the audit requirements as detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not issued for the DPCU and is to be included in the Primary Government's audit, the DPCU must be named with the parent government on this Audit contract. The Board chairman of the DPCU also must sign the Audit contract.**
2. Item No. 1 – Complete the period covered by the audit
3. Item No. 6 – Fill in the audit due date. For Governmental Unit (s), the contract due date can be no later than 4 months after the end of the fiscal year, even though amended contracts may not be required until a later date.
4. Item No. 8 – If the process for invoice approval instructions changed, the Auditor should make sure he and his administrative staff are familiar with the current process. Instructions for each process can be found at the following link. <https://www.nctreasurer.com/sl原因/Pages/Audit-Forms-and-Resources.aspx>
5. Item No. 9 – **NEW: Please note that the fee section has been moved to the signature pages, Pages 5 & 6.**
6. Item No. 16 – **NEW: It is now expected that an engagement letter will be attached to the contract. Has the engagement letter been attached to the contract submitted to the SLGFD?**
 - a. Do the terms and fees specified in the engagement letter agree with the Audit contract? *“In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract will control.”*
 - b. Does the engagement letter contain an indemnification clause? **The audit contract will not be approved if there is an indemnification clause – refer to LGC Memo # 986.**
7. Complete the fee section for BOTH the Primary Government and the DPCU (if applicable) on the signature pages, please note:
 - The cap on interim payments is 75% of the current audit fee for services rendered if the contracted fee amount is a fixed amount. If any part of the fee is variable, interim payments are limited to 75% of the prior year's total audit fee. If the contract fee is partially variable, we will compare the authorized interim payment on the contract to 75% of last year's actual approved total audit fee amount according to our records. There is a report of audit fees paid by each governmental unit on our web site: <https://www.nctreasurer.com/sl原因/Pages/Non-Audit-Services-and-Audit-Fees.aspx> - Auditors and Audit Fees.
Please call or email Darrus Cofield at 919-814-4299 darrus.cofield@nctreasurer.com if you have any questions about the fees on this list.
 - For variable fees for services, are the hourly rates or other rates clearly stated in detail? If issued separately in an addendum, has the separate page been acknowledged in writing by the Governmental Unit?

Primary Governmental Unit

N/A

Discretely Presented Component Units (DPCU) if applicable

- For fees for services that are a combination of fixed and variable fees, are the services to be provided for the fixed portion of the fee clearly stated? Are the hourly rates or other rates clearly stated for the variable portion of the fee? (Note: See previous bullet point regarding variable fees.)

- If there is to be no interim billing, please indicate N/A instead of leaving the line blank.

8. Signature Area – There are now 2 Signature Pages: one for the Primary Government and one for the DPCU. Send the page(s) that are applicable to your Unit of Government. Make sure all signatures have been obtained, and properly dated. **The contract must be approved by Governing Boards pursuant to G.S. 159-34(a).** NEW - If this contract includes auditing a DPCU that is a Public Authority under the Local Government Budget and Fiscal Control Act it must be named in this Audit contract and the Board chairperson of the DPCU **must also sign** the Audit contract in the area indicated. If the DPCU has a separate Audit, a separate Audit contract is required for the DPCU.
9. Please place the date the Unit's Governing Board and the DPCU's governing Board (if applicable) approved the audit contract in the space provided.
 - a. Please make sure that you provide email addresses for the audit firm and finance officer as these will be used to communicate official approval of the contract.
 - b. Has the pre-audit certificate for the Primary Government (and the DPCU if applicable) been signed and dated by the appropriate party?
 - c. Has the name and title of the Mayor or Chairperson of the Unit's Governing Board and the DPCU's Chairperson (if applicable) been typed or printed on the contract and has he/she signed in the correct area directly under the Auditor's signature?
10. If the Auditor is performing an audit under the yellow book or single audit rules, has year-end bookkeeping assistance been limited to those areas permitted under the revised GAO Independence Standards? Although not required, we encourage Governmental Units and Auditors to disclose the nature of these services in the contract or an engagement letter. Fees for these services should be shown in the space indicated on the applicable signature page(s) of the contract.
11. Has the most recently issued peer review report for the audit firm been included with the contract? This is required if the audit firm has received a new peer review report that has not yet been forwarded to us. The audit firm is only required to send the most current Peer Review report to us once – not multiple times.
12. After all the signatures have been obtained and the contract is complete, please convert the contract and all other supporting documentation to be submitted for approval into a PDF file. Peer Review Reports should be submitted in a separate PDF file. These documents should be submitted using the most current submission process which can be obtained at the NC Treasurer's web site – <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.
13. NEW: If an audit is unable to be completed by the due date, an Amended Contract should be completed and signed by the unit and auditor, using the new "Amended LGC-205" form (Rev. 2015). The written explanation for the delay is now included on the contract itself to complete, and must be signed by the original parties to the contract.



Koonce, Wooten & Haywood, LLP
CERTIFIED PUBLIC ACCOUNTANTS

SYSTEM REVIEW REPORT

To the Partners of Martin Starnes & Associates, CPAs, P.A.
and the Peer Review Committee of the North Carolina Association
of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. (the firm) in effect for the year ended December 31, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Martin Starnes & Associates, CPAs, P.A. in effect for the year ended December 31, 2014, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Martin Starnes & Associates, CPAs, P.A. has received a peer review rating of *pass*.

Koonce, Wooten & Haywood, LLP

Koonce, Wooten & Haywood, LLP

May 21, 2015

Raleigh

4060 Barrett Drive
Post Office Box 17806
Raleigh, North Carolina 27619

919 782 9265
919 783 8937 FAX

Durham

3511 Shannon Road
Suite 100
Durham, North Carolina 27707

919 354 2584
919 489 8183 FAX

Pittsboro

10 Sanford Road
Post Office Box 1399
Pittsboro, North Carolina 27312

919 542 6000
919 542 5764 FAX



**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: Wilmer Melton, III - Director of Public Works
TITLE: Presentation of the Downtown Kannapolis Public Realm Vision Book

A. Action Requested by City Council
--

Motion to adopt the Resolution of Support Endorsing the Downtown Kannapolis Public Realm Vision Book.

B. Required Votes to Pass Required Action
--

Majority present at meeting

C. Background

At the November 14, 2016 Council Meeting, Councilmembers heard several options with regard to the Preferred Signature Streetscape for West Avenue which included a four (4) block linear park from 1st Street to Vance Street. Based on input from that meeting, the team advanced the concept for West Avenue and developed a more comprehensive vision for the Downtown core.

This is an effort to align the Downtown Master Plan objectives, Demonstration Project, Sports & Entertainment Venue, and the Downtown Infrastructure Project objectives with a re-imagined streetscape experience for the entire core. West Avenue and the associated linear park functions as the historic signature street for Downtown and is the common thread to the public realm experience.

Following the meeting, staff further evaluated the conceptual design of West Avenue and worked with the design team to refine the layout and design intent. We embarked on a collaborative vision process and created the Downtown Kannapolis Public Realm Vision Book. This vision process defined experience principles for all of the Downtown public realm and identified the hierarchy of streetscapes, West Avenue Park program objectives, architectural principles to guide a vibrant (though historically referenced) transformation of the existing buildings to remain, and coordinated with the other on-going Downtown projects.

Based on feedback from City Council and in collaboration with the Demonstration Project developer, LMG, before you is a Resolution for Support of the Downtown Kannapolis Public Realm Vision Book which is consistent with the objectives of the Downtown Master Plan, and which creates an invigorated public realm experience to enhance the broader community, create a regional destination, and provide for an environment that will catalyze private investment and

equitable benefits within the Downtown core.

D. Fiscal Considerations

None

E. Policy Issues

None

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation
--

1. **Approve the Resolution of Support Endorsing the Downtown Kannapolis Public Realm Vision Book. (Recommended)**
2. Table the matter to a future date.
3. Take no action

H. Issue Reviewed By

Bridgette Bell, Eddie Smith, Mike Legg, Wilmer Melton

ATTACHMENTS:

File Name

- ❏ 2017_03-13_Resolution_of_Support_for_Downtown_Kannapolis_Public_Realm_Vision_Book.doc
- ❏ DOWNTOWN_KANNAPOLIS_PUBLIC_REALM_MASTER_PLAN.pdf

**A RESOLUTION OF SUPPORT
ENDORISING THE DOWNTOWN KANNAPOLIS PUBLIC REALM VISION BOOK**

WHEREAS, the City of Kannapolis evaluated a variety of design alternatives for the improved streetscapes for the Downtown core to create a vibrant downtown experience that would enhance the broader community, create a regional destination, catalyze private investment in Downtown, provide equitable distribution of open space, preserve as many existing trees within the median of West Avenue as possible, and revitalize the public realm with a variety of urban open space experiences that are family oriented; and

WHEREAS, the City of Kannapolis is committed to revitalizing the Downtown core through the enhancement of the Downtown infrastructure; and

WHEREAS, the City of Kannapolis is committed to reinforcing the City's healthy living, fitness and wellness plan as well as improving pedestrian connectivity and outdoor experiences throughout the Downtown core; and

WHEREAS, the Preferred Signature Streetscapes design, approved by Council provides a hybrid of the original Serpentine and Linear Park design schemes that facilitates private investment and equitable benefits within the Downtown core; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of Kannapolis hereby supports the Downtown Kannapolis Public Realm Vision Book.

Adopted the 13th day of March, 2017.

City Council
City of Kannapolis North Carolina

Milton D. Hinnant, Mayor

Attest: _____

Bridgette Bell, MMC, NCCMC
City Clerk



MARCH 08, 2017 | LD#1016120





**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: City Manager, Deputy City Manager, City Attorney
TITLE: Construction Manager at Risk Contract for the Sports and Entertainment Venue and Downtown Infrastructure Project

A. Action Requested by City Council
--

Approval of Construction Manager at Risk Contract for Sports and Entertainment Venue and Downtown Infrastructure Project.

B. Required Votes to Pass Required Action
--

Majority present at meeting

C. Background

City Staff recommends the Construction Manager at Risk (CMAR) for this Project. Construction Management at Risk delivery method requires the construction management company to be selected using a qualifications based selection process. The Construction Manager at Risk serves as the City's fiduciary and coordinates subcontract bid packages to develop optimum competition and compliance with the City's SDBE program. Construction Management At Risk is the delivery method that most closely affords the benefits of integrated project delivery, whereby the CMAR and Architect are involved in the project development during the design and preconstruction phase as an integrated team contracted by the City, to provide design and preconstruction services in the best interests of the project and as a team throughout the project lifecycle.

Construction Management Risk provides prequalification of first tier subcontractors through a process developed jointly in conjunction with the City. Construction Management at Risk delivery method provides for "open book" project delivery, subject to audits, end of project reconciliation and sophisticated project management during the preconstruction and construction phases.

Specific advantages to Construction Management at Risk delivery method over Separate-Prime Bidding, Single Prime Bidding, and Dual Bidding for the Police HQ Complex project are:

- CMAR is involved during the design phase, providing preconstruction services for the benefit of the project by providing cost estimates, phasing strategies, logistics plans, schedules, constructibility reviews, and subcontractor market analysis. Under separate

- prime/single prime and dual bidding, these services are not provided by the contractor.
- Pricing and cost model are developed along with the design; challenging constructibility issues are addressed earlier in the process, versus during construction via a change order.
- CMAR delivery method affords opportunities to develop early subcontract bid packages in advance of final design documents to enable the City to let early packages, such as demolition or long lead packages, such as steel, in order to advance the project schedule. Traditional delivery methods do not afford this option or flexibility.
- CMAR delivery method affords the ability to respond quickly to non-performing subcontractors as necessary.
- CMAR delivery method provides expertise in managing complex logistical projects.
- CMAR encourages and develops strategies for preparing subcontract bid packages that foster competition, include prequalified subcontractors and leverage SDBE involvement. Separate prime/single prime and dual bidding delivery methods encourage low bid subcontractor involvement.
- CMAR delivery method, unlike separate prime/single prime and dual bidding, is not inherently antagonistic, as is low bid lump sum competitive bidding.
- City Staff does not have project expertise in management and delivery of separate prime and dual bidding delivery method.

For the reasons identified above, and based on prior experience and analysis of project delivery options available to the City, Construction Management at Risk delivery method is recommended as “in the best interest of the project”.

Request for Qualifications for Architect and Construction Manager at Risk was advertised on December 15, 2016; pre-proposal conferences were conducted on January 4, 2017; and written submittals were received on January 13, 2017. Four submittals were received from CMAR teams. Interviews were conducted on January 25, 2017. Barton Malow was determined to be the top ranked CMAR firm. Contract and fee negotiations have been ongoing with both firms, as well as pre-contract team meetings.

Barton Malow is a Corporation headquartered in Southfield, Michigan with twelve (12) offices nationwide, one of which is in Charlotte, North Carolina that will be coordinating the construction of the Kannapolis ballpark. Celebrating their 92nd anniversary this year, Barton Malow is a privately held, American-owned corporation that was founded in 1924. They have served solely as a general contractor for nearly fifty years and the early 1970s, their services broadened to include construction management with full preconstruction services, coordinating projects from planning through close-out. Barton Malow has had the privilege of successfully building some of the most iconic MLB and Minor League Baseball ballparks in the nation including Minute Maid Park (Houston), Oriole Park at Camden yards (Baltimore), PNC Park (Pittsburgh), and most recently SunTrust Park (New home to the Atlanta Braves). Some of their minor league stadium credits include Nashville, Gwinnett-Georgia, Greensboro, Charlotte, and most recently Columbia, South Carolina. All total, Barton Malow has experience with eleven (11) Minor League, seven (7) Major League, and eight (8) Spring Training ballparks. Their experience with our ballpark architects, Populous, is extensive; In addition to the aforementioned projects, these two companies have completed together over 42 projects including arenas, University sporting facilities, and NFL stadiums. The added experience with hardscapes, road upgrades, preservation, excavation, storm water management, and major utility work made them the perfect choice for our Downtown Infrastructure project too.

City Staff and Barton Malow have negotiated the Agreement presented to Council. Approval will

allow pre-construction cost estimating, analysis of constructibility, schedule preparation pre-qualification of subcontractors and preparation of a Guaranteed Maximum Price. Project construction will commence as provided in the Agreement.

City Staff recommends that City Council:

- 1 . Adopt the resolution finding that the use of construction manager at risk services is in the best interest of the Sports and Entertainment Facility and Downtown Infrastructure; and
- 2 . Authorize the City Manager to execute the CMAR contract with Barton Malow for preconstruction and construction services for the Sports and Entertainment Facility and Downtown Infrastructure Project.

D. Fiscal Considerations

The City of Kannapolis intends to issue Special Obligation Bonds (debt) in order to fund the construction of the Sports and Entertainment Venue. The City will not issue the debt until all bids are received, and the Guaranteed Maximum Price (GMP) is agreed upon.

E. Policy Issues

The Resolution adopts the CMAR construction delivery method and authorizes the City Manager to execute the Construction Contract.

F. Legal Issues

City Staff has followed statutory procedures to select the proposed CMAR contractor for the required construction work.

G. Alternative Courses of Action and Recommendation

1. **Approve the Resolution adopting the CMAR construction delivery method and authorizes the City Manager to execute the Construction Contract (Recommended)**
2. Reject the Resolution which will result in no action on the proposed project at this time.

H. Issue Reviewed By

Bridgette Bell, Eddie Smith, Eric Davis, Mike Legg, Wally Safrit, Wilmer Melton

ATTACHMENTS:

File Name

- ❑ Resolution_ApprovingTheUseOfConstructionManagerAtRiskServices_(3-6-17).pdf
- ❑ AIA_Contract_for_Construction_Management_at_Risk_Agreement_will_be_supplied_at_meeting.doc
- ❑ Request_for_Proposals__Kannapolis_Ballpark_and_Infrastructure_RFQ_CM@Risk_Services__(3-8-17).pdf
- ❑ Public_Notice_(CM_At_Risk_Advertisement)_3-8-17.doc

**RESOLUTION APPROVING THE USE OF CONSTRUCTION MANAGER AT RISK
SERVICES PURSUANT TO G.S. 143-128.1 AND CONSTRUCTION AGREEMENT
FOR THE SPORTS AND ENTERTAINMENT FACILITY AND
DOWNTOWN INFRASTRUCTURE PROJECT**

WHEREAS, G.S.143-128.1(e) requires that construction management at risk services may be used by a public entity only after the public entity has concluded that construction manager 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 manager 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);

WHEREAS, the City intends to enter into a construction manager at risk contract for preconstruction and construction services for the Sports and Entertainment Venue and the Downtown Infrastructure Project (the "Project"); and

WHEREAS, the proposed Project is a large and complicated construction project which will require sophisticated project management and construction oversight; and

WHEREAS, the City has selected Barton Malow through the pre-qualification procedures pursuant to G.S. 143-64.31 for construction manager at risk services for the Project; and

WHEREAS, the use of construction manager at risk services is preferred over the other delivery methods provided for under G.S. 143-128(a1)(1) through G.S. 143-128(a1)(3) because the Project will greatly benefit from preconstruction services, phasing strategies, logistics planning, complex scheduling, constructability reviews and subcontractor market analysis, which services are best delivered by construction manager at risk services.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KANNAPOLIS HEREBY RESOLVES:

Section 1. For the reasons stated above, the selection of Barton Malow for construction manager at risk services is in the best interest of the Project, as compared with the advantages and disadvantages of using the construction manager 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).

Section 2. The construction manager at risk contract (AIA Document A133-2009) negotiated by the City Staff and Barton Malow is hereby approved for execution by the City Manager subject to minor changes and non-material revision consistent with this Resolution.

Section 3. This Resolution shall be effective upon passage.

This the 13th day of March, 2017.

Attest:

Milton D. Hinnant, Mayor

Bridgette Bell, MMC, NCCMC
City Clerk

AIA Contract for Construction Management at Risk Agreement will be supplied at meeting.



Request for Qualifications (RFQ)
for
Construction Manager at Risk (CM@R) Services
for
Downtown Sports and Entertainment Venue and Infrastructure Project

Issued: December 15, 2016

Submittals Due: January 13, 2017 by 2:00 p.m. EST

Contact: Eddie Smith, Deputy City Manager
E-mail: resmith@kannapolisnc.gov
Phone: (704) 920-4308

Introduction

The City of Kannapolis, North Carolina ("City") is seeking to hire a qualified Construction Manager at Risk firm ("CM@R") to provide preconstruction and construction management services for a new sports and entertainment venue and infrastructure in downtown Kannapolis ("Project"). Through this Request for Qualifications ("RFQ"), the City is seeking Qualifications Statements from interested and qualified firms.

The sports and entertainment venue will have a capacity of up to 6,000 and will serve as home to the Minor League Baseball ("MiLB") Kannapolis Intimidators. The venue will meet the most current version of the MiLB Facility Standards for a Class A ballpark and will have the capability to host concerts, community-oriented events, and other sporting events. The venue site is located on the northwest end of the downtown commercial district, on a site bounded by Laureate Way/West 1st Street, Chestnut Avenue, West B Street, and West Avenue. The total hard costs for the venue project, inclusive of construction management fees, overhead, and markups, is estimated to be approximately \$28 million.

The infrastructure portion of the Project will include replacement and upgrade of existing utilities (sewer, storm, gas, power, telecom, etc.) and roadways from Vance Street to Laureate Way, and Main Street to Oak Avenue/Chestnut Avenue. Full streetscape implementation including new sidewalks, street trees, furniture, and lighting will be provided. On West Avenue, a significant linear park element will also be incorporated into the design by removing one lane of traffic to create more plaza, park, and landscape areas. The total hard costs for the infrastructure project, inclusive of construction management fees, overhead, and markups, is estimated to be approximately \$20 million.

The Project is currently in the programming and design phase. The City anticipates substantial completion of the Project by January 2019. Please refer to the following link for more information on the City's master redevelopment plan: <http://www.kannapolisnc.gov/revitalization/>. Preliminary scope of work maps for the Project are included at the end of this document. Included is a scope of work boundary for a private sector project (the "Demonstration Project") occurring within a portion of the Project boundaries.

The CM@R, or its joint venture partner, must have experience as the prime at-risk contractor, design-builder, or construction manager (either individually or as the major joint venture partner) for the construction of a minimum of three (3) similar size or larger professional and/or collegiate ballparks and entertainment venues to be considered for further evaluation. The CM@R, or its joint venture partner, must also have experience constructing similarly scaled utility infrastructure and streetscape projects.

Scope of Work

The specific scope of work for the selected CM@R for the Project will be defined in the construction management agreement. However, at a minimum the following services are required of the CM@R:

- Provide preconstruction phase services including cost estimating, life-cycle cost analysis, value-engineering, constructability reviews, scheduling, phasing plans, etc.
- Provide and maintain Request For Information (“RFI”) and submittal logs
- Develop and maintain a master project schedule
- Prepare and maintain a cash flow analysis
- Define and prepare scopes of work for bid packages
- Develop a site management plan
- Provide construction management and general contracting services
- Develop a phasing and sequencing plan
- Establish and maintain quality control standards
- Provide Guaranteed Maximum Price (“GMP”)

The City anticipates entering into a construction management agreement with the CM@R for the sports and entertainment venue and a separate contract for the infrastructure project. As such, the CM@R shall be required to provide a separate GMP for each project.

In accordance with North Carolina General Statutes Section 143-128.1 you will be required to prequalify all first tier subcontractors with assessment tools and criteria for the Project including specific prequalification scoring values jointly developed with the City.

Project Schedule

The Project must be completed and available for its intended use no later than the start of the South Atlantic League baseball season on or about April 1, 2019. The CM@R is expected to commence preconstruction services in January 2017 and the City anticipates substantial completion of the Project in January 2019.

Qualifications Statement Submittal Requirements

The following components shall be submitted to the City in a concise manner as part of the response to this RFQ. Failure to include all of the elements specified below may be cause for rejection. Additional information may be provided, but shall be succinct and relevant to this RFQ. Submittals shall be limited to 50 pages. Document pages shall be 8-1/2 inches by 11 inches in size or folded to such a size. Qualifications Statements shall correspond to the sections below:

1. Firm Information

- a. Firm name, mailing address (include physical location if mailing address is a P.O. Box), contact person, telephone number, and e-mail address.
- b. Type of organization (joint venture, partnership, limited partnership, corporation, etc.). If submitting as a joint venture, firm shall provide a summary of the draft agreement terms.
- c. Firm history, including background of firm's executive management and number of years the firm has been in business.
- d. Financial information:
 - i. Firm's total annual construction volume for the past five (5) years.
 - ii. Name and contact information of the firm's bonding company.
 - iii. Letter from the surety indicating the firm's current bonding capacity and the surety's willingness to bond the Project.
 - iv. A.M. Best rating for the firm's surety, and its status to do business in North Carolina.
- e. Has the firm, or joint venture partner, ever been involved in litigation or arbitration with an owner of a similar facility? If so, please describe each instance, giving specific detail regarding the reasons for the claim and amount in dispute. Explain how the claim was resolved.

2. Relevant Experience and Capabilities

- a. Provide confirmation that the firm and its team members are licensed to provide construction management services in North Carolina.
- b. Demonstrate the firm's experience in constructing professional and/or collegiate ballparks and entertainment venues. Provide three (3) or more examples where the firm has provided construction management services for projects similar in size and complexity (i.e. infrastructure, streetscape, roads, etc.) to the Project. The selected projects should demonstrate the firm's capability, creativity and unique problem solving skills, budget and schedule compliance, and added value. The following information shall be provided for each project:
 - i. Owner and location of the project
 - ii. Completion date or status of the project
 - iii. Brief project description highlighting its key elements
 - iv. Capacity and square footage of the project
 - v. Key personnel proposed for this project that were involved in the project
 - vi. E-mail and telephone number for client references
 - vii. Initial project budget, final cost, and type of contract

3. Project Team

- a. Identify the key personnel who will be assigned to the sports and entertainment venue and the infrastructure work. Specifically identify the individuals assigned to the venue, infrastructure, and/or both projects.
- b. Identify the firm's single point of contact for the entire Project.
- c. Provide an organization chart clearly defining all individuals proposed for the Project.
- d. Provide resumes for each individual listed above, including the following:
 - i. Name and title
 - ii. Years of experience
 - iii. Years with firm
 - iv. Office location
 - v. Education, certifications, licenses, and/or special training
 - vi. Description of role and key responsibilities for the Project and level of involvement in each phase
 - vii. Listing and description of relevant project experience
- e. Identify the level of commitment to the Project for each key personnel, including the project executive and lead project manager(s). Indicate their ability to start preconstruction services in January 2017.

4. Project Approach: Provide a narrative describing the firm's approach to the Project. The following items shall be addressed specifically:

- a. Describe approach to implementing both the sports and entertainment venue and infrastructure work. Identify opportunities, challenges, and risk mitigation strategies.
- b. Discuss role as a team member on the Project that includes the City, owner's representative/program manager, architect, engineer, and other Project stakeholders.
- c. Discuss approach to project controls, including scope, schedule, budget and cost control, and construction quality control with examples of past success.
- d. Describe procurement plan to ensure completion of the Project on a timely basis.
- e. Describe practices and processes in monitoring and managing construction activities and subcontractor performance so as to minimize requests for change orders and avoid or mitigate construction related disputes.
- f. Indicate whether the firm would propose to self-perform any work on the Project and, if so, the nature of the work and the firm's capability to self-perform.
- g. Describe how the firm will ensure competitive pricing and on-time, quality performance by its subcontractors.
- h. Describe the firm's approach to creating a competitive procurement environment for the benefit of the Project.
 - i. Describe the firm's experience implementing apprenticeship and/or work for development programs.

5. **Minority Participation:** Describe the program (plan) that your company has developed to encourage participation by Minority and other HUB firms to meet or exceed the goals set by North Carolina General Statute 143-128.2. Attach a copy of that plan to this proposal. Provide documentation of the Minority and other HUB participation that you have achieved over the past two years on both public and private construction projects. Outline specific efforts that your company takes to notify Minority and other HUB firms of opportunities for participation. Indicate the minority participation goal that you expect to achieve on this project. The CM@R will be required to submit a final plan for compliance with Section 143-128.2 for City approval prior to soliciting bids for the Project's first tier subcontractors.

Selection Criteria

Qualifications Statements will be evaluated by the Selection Committee based on the firms' ability to meet the requirements of this RFQ. The Selection Committee will include the City Manager, Deputy City Manager, General Services Director, Finance Director, Public Works Director, ballpark architect, and owner's representative/program manager, and a representative of the Kannapolis Intimidators. Other staff members may participate in the evaluation process as well. The primary evaluation criteria include:

1. Experience providing preconstruction and construction management services for similar projects;
2. Approach to the Project;
3. Ability to meet the established schedule;
4. Qualifications and abilities of key individuals proposed for the Project;
5. Client references; and
6. An office in North Carolina.

Submission Process and Timeline

Qualifications Statements shall be submitted in both electronic and hard copy no later than **2:00 p.m. EST on January 13, 2017**. Responses must be prepared in conformance with the guidelines described in this RFQ. Responses received after the deadline will **not** be considered.

- Electronic qualification statements shall be submitted electronically in PDF format to resmith@kannapolisnc.gov. The e-mail subject line must be as follows: "CM@R Qualifications Statement - Downtown Sports and Entertainment Venue and Infrastructure Project."
- In addition, three (3) bound hard copies shall be mailed to: Eddie Smith, Deputy City Manager, City of Kannapolis, 401 Laureate Way, Kannapolis, NC 28081. Paper copies must also be received by the deadline.

All responses are subject to public disclosure under the North Carolina Public Records Law. To the extent permissible by law, the City agrees to keep confidential any confidential proprietary information included

in a response, provided that: 1) the respondent identifies the confidential proprietary portions of the response; 2) the respondent identifies as confidential and proprietary only those portions of the submittal that actually are confidential and proprietary; and 3) the respondent states why protection is necessary. Respondents shall not designate their entire response as confidential and proprietary, nor shall they so designate information that is already public.

In submitting a Qualifications Statement, each firm agrees that the City may reveal any materials contained in such response to all the City staff and the City officials involved in the selection process and to any outside consultant or other third parties who serve on the Selection Committee or who are hired by the City to assist in the selection process. Furthermore, each firm agrees to indemnify and hold harmless the City and each of its officers, employees and agents from all costs, damages, and expenses incurred in connection with refusing to disclose any material that the firm has designated as a trade secret.

Any information that the respondent would like to remain confidential should be e-mailed under separate cover to resmith@kannapolisnc.gov. The e-mail subject must be "PROTECTED: CM@R – Downtown Sports and Entertainment Venue and Infrastructure Project"

The schedule for this procurement of the CM@R is as follows:

1. Issue RFQ	December 14, 2016
2. Deadline for Questions / Clarifications	December 21, 2016
3. Mandatory Pre-Submittal Conference	January 4, 2017
4. Submittals Due	January 13, 2017
5. Interviews of Short List	January 25, 2017
6. Notice of Award	January 27, 2017

Conditions and Reservations

The City reserves the right to refuse and reject any or all responses to the RFQ, to advertise for new RFQ responses, or to accept any RFQ response deemed to be in the best interest of the City in its sole and exclusive discretion. The City reserves the right to waive technicalities and informalities. The City reserves the right to negotiate with one or more firms and is not obligated to enter into any contract with any respondent on any terms or conditions.

A response to this RFQ shall not be construed as a contract, nor indicate a commitment of any kind. The RFQ does not commit the City to pay for costs incurred in the submission of a response to this RFQ or for any cost incurred prior to the execution of a final contract. No recommendations or conclusions from this RFQ process concerning your firm shall constitute a right (property or otherwise) under the Constitution of the United States or under the Constitution, case law or statutory law of the State of North Carolina.

City of Kannapolis, NC
RFQ - Construction Manager at Risk Services
Downtown Sports and Entertainment Venue and Infrastructure Project

Neither binding contract, obligation to negotiate, nor any other obligation shall be created on the part of the City unless the City and your firm execute a contract.

An authorized representative of the firm is required to certify the accuracy of all information contained in your submittal by executing the certification form attached to this RFQ as Exhibit "A".

EXHIBIT A

Certification Form

(Provide separate Certification for each Joint Venture or Partnership entity)

****COMPANY NAME****

****SEAL****

I HEREBY CERTIFY THAT THE INFORMATION CONTAINED IN THIS RESPONSE TO THE REQUEST FOR PROPOSALS IS CORRECT AND TRUTHFUL TO THE BEST OF MY KNOWLEDGE AND BELIEF.

This the __ day of _____, 2015.

By: _____

Title: _____

License number under which the project will be executed:

Name license number above is held in:

STATE OF

COUNTY OF

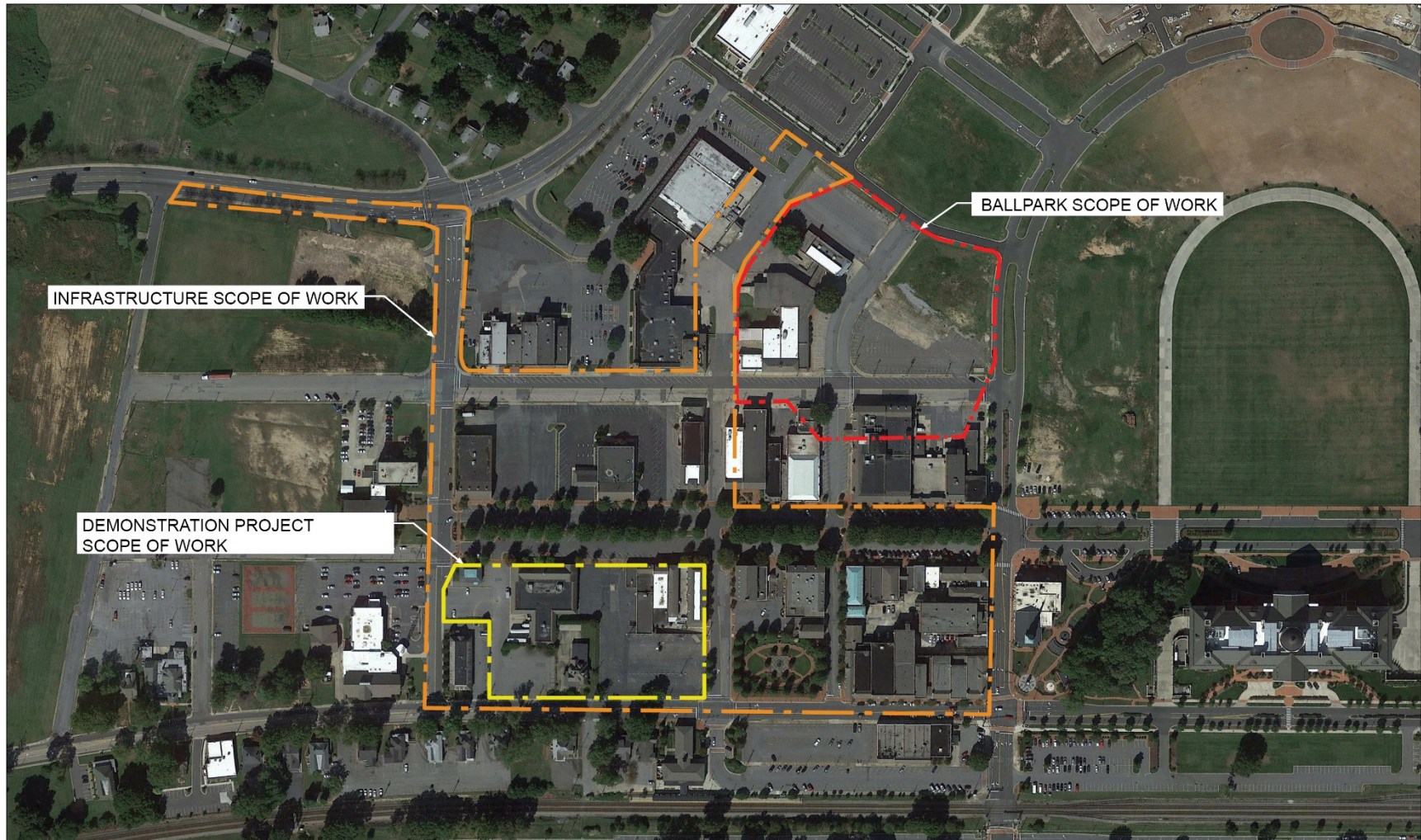
I, _____ a Notary Public in and for the County and State aforesaid, do hereby certify that personally came before me this day and acknowledged that he is of and by that authority duly given and as an act of the foregoing instrument was signed by As, attested by him/herself as Secretary, and sealed with the common seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal this the __ day of _____, 2015.

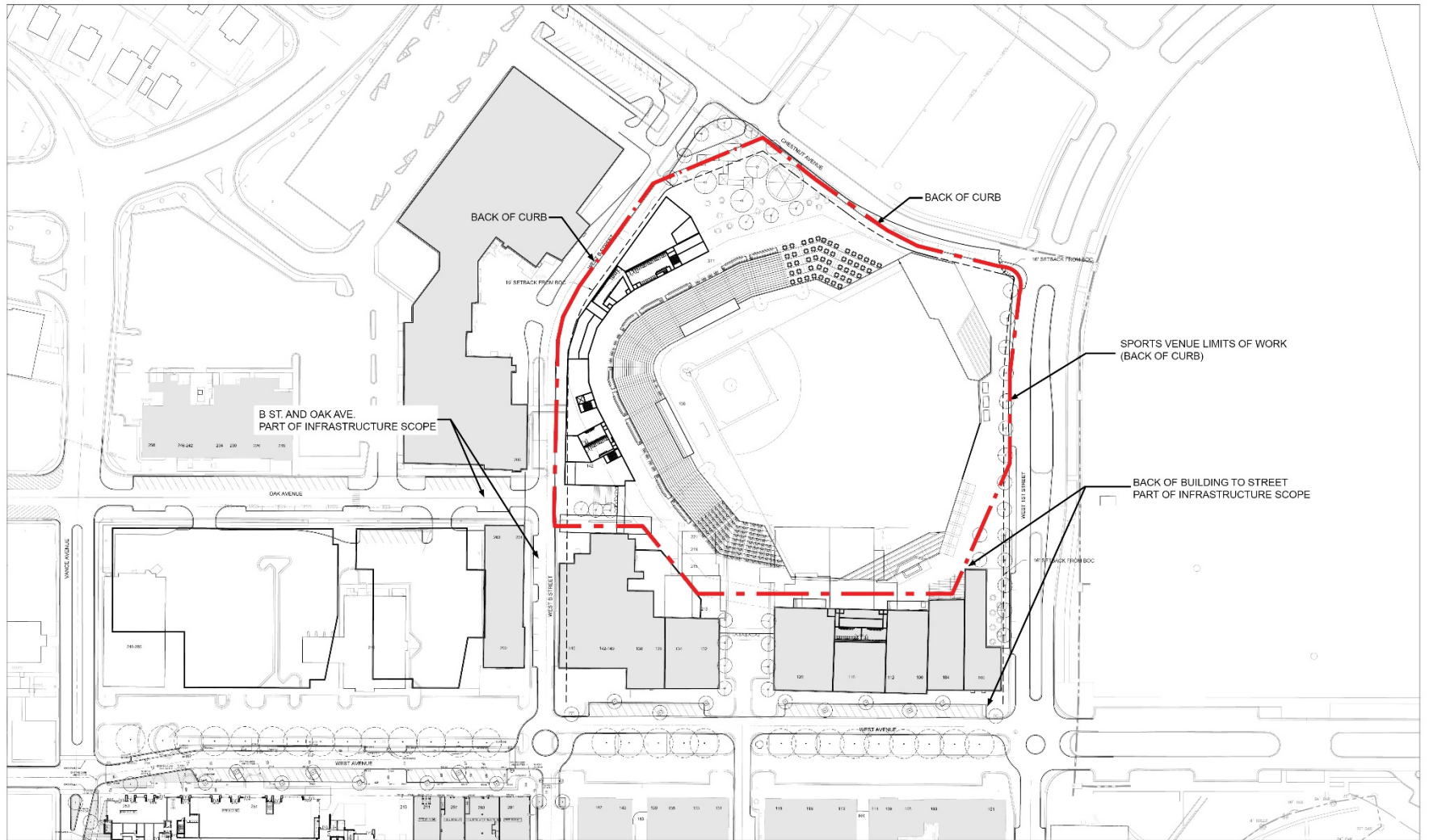
Notary Public

My commission expires:

Preliminary Scope of Work Boundaries

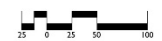


Preliminary Scope of Work Boundaries



LandDesign.

SPORTS AND ENTERTAINMENT VENUE
SCOPE OF WORK EXHIBIT
KANNAPOLIS, NORTH CAROLINA





**CM AT RISK ADVERTISEMENT
For
Kannapolis Sports and Entertainment Venue and Infrastructure Project**

The City of Kannapolis is accepting proposals for Construction Manager at Risk for the Downtown Sports and Entertainment Venue and Infrastructure Project until 2:00 PM EST on January 11, 2017. The Sports and Entertainment Venue will have a capacity of up to 6,000 and will serve as home to the Minor League Baseball ("MiLB") Kannapolis Intimidators. The venue will meet the most current version of the MiLB Facility Standards for a Class A ballpark and will have the capability to host concerts, community-oriented events, and other sporting events. The venue site is located on the northwest end of the downtown commercial district, on a site bounded by Laureate Way/West 1st Street, Chestnut Avenue, West B Street and West Avenue. The total hard costs for the venue project, inclusive of construction management fees, overhead, and markups, is estimated to be approximately \$28 million.

The infrastructure portion of the Project will include replacement and upgrade of existing utilities (sewer, storm, gas, power, telecom, etc.) and roadways from Vance Street to Laureate Way, and Main Street to Oak Avenue/Chestnut Avenue. Full streetscape implementation including new sidewalks, street trees, furniture, and lighting will be provided. On West Avenue, a significant linear park element will also be incorporated into the design by removing one lane of traffic to create more plaza, park, and landscape areas. The total hard costs for the infrastructure project, inclusive of construction management fees, overhead, and markups, is estimated to be approximately \$20 million.

A mandatory pre-submittal conference will be held at the address below at 2:00 PM on January 4, 2017.

Qualifications Statements shall be submitted in both electronic and hard copy no later than 2:00 PM EST on January 11, 2017. Responses must be prepared in conformance with the guidelines described in this RFQ. Responses received after the deadline will not be considered.

- Electronic qualification statements shall be submitted electronically in PDF format to resmith@kannapolisnc.gov. The e-mail subject line must be as follows: [CM@R Qualifications Statement - Downtown Sports and Entertainment Venue and Infrastructure Project](#).
- In addition, three (3) bound hard copies shall be mailed to: Eddie Smith, Deputy City Manager, City of Kannapolis, 401 Laureate Way, Kannapolis, North Carolina 28081. Paper copies must also be received by the deadline.

The City of Kannapolis has an affirmative policy of fostering, promoting and conducting business with women and minority owned businesses and enterprises. Women and Minorities are encouraged to participate in the Construction Management at Risk Program.

The City reserves the right to reject any and all proposals.



**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE: Brailsford & Dunleavy Professional Services Agreement

A. Action Requested by City Council
--

Motion to authorize the City Manager to execute the professional services Agreement with Brailsford & Dunlavey

B. Required Votes to Pass Required Action
--

Majority present at meeting

C. Background

The City has engaged national program management consulting firm Brailsford & Dunlavey for the past two years to perform a number of services for the City. The firm prepared the initial market analysis and financial feasibility study for the Sports and Entertainment Venue (SEV). Since that time the firm has assisted the City with defining the initial ballpark program elements and a draft budget, selection of the project architect and construction manager and advice and guidance on the team's relocation approvals through Minor League Baseball. They have proved invaluable to staff on a number of areas to date.

Going forward the proposed agreement provides for the following key services, many related to the construction and operation of the new SEV:

- Project Administration: As needed, attend Owner Progress Meetings.
- Project Agreements and Funding Proposals: Provide Negotiation Support, Due Diligence Assistance, Advise on Governing Board Approvals, Provide Annual project reports. This would include lease negotiations with the team and continued assistance on the relocation approvals.
- Design/Pre-construction Phase: Periodically participate in design meetings, provide program and design reviews, provide cost reviews/value engineering, review construction phase scheduling.
- Construction Phase: Participate in Owner/Architect/Contractor Progress meetings.
- Post-Construction Phase: Coordinate start-up activities

This contract is designed to be used on an as needed basis (not a lump sum) with a total not-to-exceed amount of \$395,000. Accordingly, staff will only use the firm for those services that are most critical and provide short- and long-term value to the project. Should the SEV get delayed or stopped for any reason, the City would only be obligated for services actually rendered. It is not anticipated that the full allocation of funding for this contract will be used.

D. Fiscal Considerations

Funding for this agreement has been included in the project budget for the SEV and will be rolled into the financing similar to the services from the Architect and the Construction Manager.

E. Policy Issues

None.

F. Legal Issues

None.

G. Alternative Courses of Action and Recommendation

1. **Motion to authorize the City Manager to execute the professional services Agreement with Brailsford & Dunleavy (Recommended)**
2. Table the matter to a future date.
3. Take no action.

H. Issue Reviewed By

Bridgette Bell, Eddie Smith, Eric Davis, Mike Legg

ATTACHMENTS:

File Name

- ❑ Service_Contract_(City-BrailsfordDunlavey)_3-6-17.doc
- ❑ Kannapolis_BSD_Agreement_Exhibit_A_Scope_of_Work.docx

STATE OF NORTH CAROLINA

SERVICES CONTRACT

CITY OF KANNAPOLIS

This Contract (the "Contract") is made and entered into as of the ____ day of March 2017, by the City of Kannapolis ("City") and Brailsford & Dunlavey, Inc. ("Contractor").

Sec. 1. Contractor Authority. The Contractor is a firm licensed to do business in the State of North Carolina.

Sec. 2. Services and Scope to be Performed. The Contractor shall perform the services set forth in Exhibit "A" attached hereto and incorporated herein (the "Project"). In this Contract, "services" means the services that the Contractor is required to perform pursuant to this Contract, as described in Exhibit A, "Scope of Work, Fees, and Schedule," which is incorporated into this Contract by reference. Any amendments, corrections, or change orders by either party must be made in writing signed in the same manner as the original.

Sec. 3. Complete Work without Extra Cost. Unless otherwise provided, the Contractor shall obtain and provide, without additional cost to the City, all labor, materials, equipment, transportation, facilities, services, permits, and licenses necessary related to the Project.

Sec. 4. Compensation. The City shall pay the Contractor for the services described in Exhibit "A." Any additional services needed beyond those described in Exhibit A may require additional charges. The City shall not be obligated to pay the Contractor any payments, fees, expenses, or compensation other than those authorized by this section or authorized by a duly approved amendment or change order.

Sec. 5. Term. This Contract shall begin upon execution of this Contract (the "Commencement Date") for a period of thirty-four (34) months (the "Term").

Sec. 6. Contractor's Billings to City. Payments will be made in accordance with either this Section or in Exhibit "A". Contractor shall submit invoices to the City of Kannapolis' Finance Department in the manner described in Exhibit A. Upon receipt of the pay request the City will verify the amounts and if correct, will authorize payment. Final payment shall be made to the Contractor within thirty (30) days after submittal by Contractor. Should a discrepancy arise, the City shall notify the Contractor within sixty (60) days after invoice submittal.

Sec. 7. Insurance.

A. Insurance Coverage

Contractor shall obtain insurance to satisfy the requirements hereunder. The policies shall be with companies authorized to do business in North Carolina and rated "A" or above by A.M. Best Company. Contractor, individually or by and through its subcontractors, shall satisfy the following requirements and provide the following coverages:

(a) General Requirements.

1. Contractor shall name the City as an additional insured under the liability policies required by this section.
2. Contractor's insurance shall be primary of any self-funding and/or insurance otherwise carried by the City for all loss or damages arising from Contractor's operations under this Agreement. Contractor and each of its subcontractors shall and does waive all rights of subrogation against the City.
3. City shall be exempt from, and in no way liable for any sums of money that may represent a deductible in any insurance policy. The payment of such deductible shall be the sole responsibility of Contractor and/or subcontractor providing such insurance.
4. Within 3 days after execution of this Agreement, Contractor shall provide the City with certificates of insurance and endorsements documenting that the insurance requirements-set forth in this paragraph have been met, and that the City be given thirty (30) days' written notice of any

intent to amend coverage or make material changes to or terminate any policy by either the insured or the insurer. Contractor shall further provide such certificates of insurance to the City at any time requested by the City after the execution of this Agreement, and shall provide such certificates within five (5) days after the City's request. The City's failure to review a certificate of insurance sent by or on behalf of Contractor shall not relieve Contractor of its obligation to meet the insurance requirements set forth in this Agreement.

5. Should any or all of the required insurance coverage be self-funded/self-insured, Contractor shall furnish to the City a copy of the Certificate of Self-Insurance or other documentation from the North Carolina Department of Insurance.

(b) Types of Insurance.

1. Automobile Liability. Bodily injury and property damage liability covering all owned, non-owned and hired automobiles for limits of not less than \$1,000,000 bodily injury each person, each accident and \$1,000,000 property damage, or \$1,000,000 combines single limit-bodily injury and property damage.
2. Commercial General Liability. Bodily injury and property damage liability as shall protect Contractor and any subcontractor performing work under this Agreement, from claims of bodily injury or property damage which arise from operation of this Agreement, whether such operations are performed by Contractor, any subcontractor, or anyone directly or indirectly employed by either. The amounts of such insurance shall not be less than \$1,000,000 bodily injury each occurrence/aggregate and \$1,000,000 property damage each occurrence/aggregate, or \$1,000,000 bodily injury and property damage combined single limits each occurrence/aggregate. This insurance shall include coverage for products, operations, personal injury liability and contractual liability, assumed under the indemnity provision of this Agreement.
3. Workers' Compensation Insurance. Contractor shall meet the statutory requirements of the State of North Carolina, \$100,000 per accident limit, \$500,000 disease per policy limit, \$100,000 disease each employee limit.
4. Umbrella. Umbrella liability coverage of no less than \$2,000,000.

- (c) Certificates of all required insurance and endorsements shall be furnished to the City and shall contain the provision that the City will be given thirty (30) day advance written notice of any intent to amend or terminate by either the insurance or the insuring company.
- (d) Failure to maintain the insurance coverage required in this paragraph is a material default subject to termination of this Agreement.
- (e) Notwithstanding anything to the contrary in this Contract, all of Contractor's subcontractors providing services under this Contract shall comply with the insurance requirements in this Section 7, except for Gary Mayse.

B. Notice of Cancellation

Contractor shall notify the City, in writing, as required in Sec. 9, immediately upon learning of cancellation or reduction of the insurance afforded by its policy.

Sec. 8. Attachments. The following attachments (whether or not executed) are made a part of this Contract and incorporated herein by reference. In the event an interpretation conflict exists between this Principal Contract terms and the terms of any attachment, the terms, conditions and provisions of the Principal Contract shall prevail: Exhibit "A"

Sec. 9. Notice. All notices that may be proper or necessary to be served or made hereunder shall be in writing and will be deemed delivered when: (a) Actually received with verifiable evidence thereof; (b) Upon receipt by sender of

a certified mail, return receipt signed by an employee or agent of the Party; (c) Upon proof of delivery by a nationwide provider of next-day delivery services and addressed to the respective other Party at the address set forth in this Agreement or such other address as the Party may have designated by notice or Agreement amendment to the other Party. Consequences to be borne due to failure to receive a notice due to improper notification by the intended receiving Party of a new address will be borne by the intended receiving Party. A change of address, or person to receive notice may be made by either party by notice given to the other party. Any notice or other communication under this Contract shall be deemed given at the time of actual delivery, if it is personally delivered.

The addressee of the Parties to this Agreement are as follows:

To the City:

City Manager
City of Kannapolis
401 Laureate Way
Kannapolis, North Carolina 28081
Telephone: 704-920-4300

To the Contractor:

Christopher S. Dunlavey
President
Brailsford & Dunlavey
1140 Connecticut Avenue, Suite 400
Washington, DC 20036

Sec. 10. Indemnification. The Contractor shall indemnify and save harmless the City and its officers and employees against damages, liabilities and costs where recoverable by law but only to the extent caused by the negligent acts, errors, or omissions of Contractor or Contractor's subcontractors in their performance of services under this Contract. This section shall remain in force despite termination of this Contract (whether by expiration of the term or otherwise) and termination of the services of the Contractor.

Sec. 11. Non-appropriation Clause. If this Contract is for multiple years or is automatically renewed for additional years, Contractor acknowledges that the City is a governmental entity, and the Contract validity is based upon the availability of public funding under the authority of its statutory mandate. In the event that public funds are unavailable and not appropriated for the performance of City's obligations under this Contract, then this Contract shall automatically expire without penalty to the City, thirty (30) days after written notice to Contractor advising of the unavailability and non-appropriation of public funds. It is expressly agreed that the City shall not activate this non-appropriation provision for its convenience or to circumvent.

Sec. 12. Termination For Cause. If the Contractor shall fail to fulfill in a timely, professional and proper manner any material obligation under this Contract, or should the Contractor violate any of the material covenants, agreements, or stipulations of this Contract, the City shall have the right, after providing prior written notice and reasonable opportunity to cure to Contractor, to terminate this Contract by giving written notice to the Contractor of such termination and specifying the effective date thereof at least twenty-one (21) days before the effective date of such termination. In a like manner, if the City shall fail to fulfill in a timely, professional and proper manner any material obligation under this Contract, or should the City violate any of the material covenants, agreements, or stipulations of this Contract, the Contractor shall have the right, after providing prior written notice and reasonable opportunity to cure, to terminate this Contract by giving written notice to the City of such termination and specifying the effective date thereof at least twenty-one (21) days before the effective date of such termination. In such event, Contractor shall be entitled to receive just and equitable compensation for any work satisfactorily completed pursuant to this Contract. However, the City shall not be obligated to pay any remaining charges for work satisfactorily completed where there exists a right in favor of the City for refund, reimbursement or offset in connection with any obligations arising from the Contractor to the City.

Sec. 13. Miscellaneous.

- (a) **Choice of Law and Forum.** This Contract shall be deemed made in Cabarrus County, North Carolina. This Contract shall be governed by and construed in accordance with the laws of North Carolina. The exclusive forum and venue for all actions arising out of this Contract shall be the appropriate division of the North Carolina General Court of Justice, in Cabarrus County. Such actions shall neither be commenced in nor removed to federal court. This section shall not apply to subsequent actions to enforce a judgment entered in actions heard pursuant to this section. Disputes and claims will be

mediated first through the City Dispute Resolution Policy. Unresolved disputes and claims will be resolved as provided in this Section 13.

- (b) Waiver. No action or failure to act by the City shall constitute a waiver of any of its rights or remedies that arise out this Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed in writing.
- (c) Performance of Government Functions. Nothing contained in this Contract shall be deemed or construed so as to in any way estop, limit, or impair the City from exercising or performing any regulatory, policing, legislative, governmental, or other powers or functions.
- (d) Severability. If any provision of this Contract shall be unenforceable, the remainder of this Contract shall be enforceable to the extent permitted by law.
- (e) Assignment, Successors and Assigns. Without the City's written consent, the Contractor shall not assign (which includes to delegate) any of its rights (including the right to payment) or duties that arise out this Contract. Without granting the Contractor the right to assign, it is agreed that the duties of the Contractor that arise out of this Contract shall be binding upon it and its heirs, personal representatives, successors, and assigns.
- (f) Compliance with Law. In performing all of the Work, the Contractor shall comply with all applicable law.
- (g) City Policy. THE CITY OPPOSES DISCRIMINATION ON THE BASIS OF RACE AND SEX AND URGES ALL OF ITS CONTRACTORS TO PROVIDE A FAIR OPPORTUNITY FOR MINORITIES AND WOMEN TO PARTICIPATE IN THEIR WORK FORCE AND AS SUBCONTRACTORS AND VENDORS UNDER CITY CONTRACTS.
- (h) EEO Provisions. During the performance of this Contract the Contractor agrees as follows:

The Contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. The Contractor shall take affirmative action to insure that applicants are employed and that employees are treated equally during employment, without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap. The Contractor shall post in conspicuous places available to employees and applicants for employment, notices setting forth these EEO provisions. (2) The Contractor in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, political affiliation or belief, age, or handicap.
- (i) No Third Party Right Created. This Contract is intended for the benefit of the City and the Contractor and not any other person.
- (j) Principles of Interpretation. In this Contract, unless the context requires otherwise the singular includes the plural and the plural the singular. The pronouns "it" and "its" include the masculine and feminine. Reference to statutes or regulations include all statutory or regulatory provisions consolidating, amending, or replacing the statute or regulation. References to contracts and agreements shall be deemed to include all amendments to them. The word "person" includes natural persons, firms, companies associations, partnerships, trusts, corporations, governmental agencies and units, and any other legal entities.
- (k) Modifications, Entire Agreement. A modification of this Contract is not valid unless signed by both parties and otherwise in accordance with requirements of law. Further, a modification is not enforceable against the City unless the City Manager or other duly authorized official signs it for the City. This Contract contains the entire agreement between the parties pertaining to the subject matter of this Contract. With respect to that subject matter, there are no promises, agreements, conditions,

inducements, warranties, or understandings, written or oral, expressed or implied, between the parties, other than as set forth or referenced in this Contract.

- (l) W-9 Form. Contractor shall provide a completed W-9 form to the City upon execution of this Contract.
- (m) E-Verify. For agreements that include construction or services, employers and their subcontractors with 25 or more employees in North Carolina as defined in Article 2 of Chapter 64 of the NC General Statutes must comply with E-Verify requirements to contract with the City. E-Verify is a Federal program operated by the US Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law. By executing this Contract, Contractor certifies that Contractor complies with the requirements of the E-Verify program.
- (n) Iran Divestment Act Certification. By executing this Contract, Contractor certifies that Contractor is not listed on the Iran Final Divestment List (“List”) created by the State Treasurer pursuant to N.C.G.S. 147-86.55 *et seq*, the Iran Divestment Act (“Act”). In compliance with the Act’s requirement, Contractor shall not utilize in the performance of this Agreement any subcontractor that is identified on the List. The List can be found on the State Treasurer’s website at the address www.nctreasurer.com/Iran and should be updated at least every 180 days.
- (o) Limitation of Liability. Neither party shall be liable to the other party for any consequential, exemplary, special, incidental, or punitive damages sounding in contract or tort except as may be necessary to provide indemnification in accordance with Section 10 above against actions or claims asserted by third parties.
- (p) Estimates and Projections. Estimates and projections relating to development budgets, finance, and other aspects of Contractor’s analysis will be based upon reasonable assumptions, information provided by City or other sources, reasonable analytical techniques, and professional judgment. Actual costs and financial performance, however, will be influenced by market and other external factors. Accordingly, Contractor does not represent or warrant that its estimates and projections will reflect City’s actual costs and financial performance.

(SIGNATURES ARE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, the City of Kannapolis and the Contractor have caused this Contract to be executed under seal by their respective duly authorized agents or officers.

CITY OF KANNAPOLIS:

CONTRACTOR:

By: _____
Michael B. Legg, City Manager

By: _____
Christopher S. Dunlavey, President

APPROVED AS TO FORM:

Attorney for the City of Kannapolis

APPROVAL BY CITY FINANCE OFFICER

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.

Eric Davis



EXHIBIT A – Scope of Work, Fees & Schedule

March 13, 2017

Mr. Michael B. Legg
City Manager
City of Kannapolis
401 Laureate Way
Kannapolis, NC 28081

RE: Sports & Entertainment Venue and Infrastructure Program Management Services

Dear Mike:

Pursuant to the Services Contract (“Contract”) dated _____, Brailsford & Dunlavey, Inc. (“B&D”) will provide implementation services to the City of Kannapolis, North Carolina (“Client”) with respect to the development of a new sports and entertainment venue and infrastructure improvements in downtown Kannapolis (“Project”). More specifically, B&D will serve as Client’s representative to interface with Project stakeholders and consultants, including among others, Populous, Inc. (“Architect”), Land Design, Inc. (“Infrastructure Engineer”), the Kannapolis Intimidators Minor League Baseball club (“Team”) and Barton Malow (“Construction Manager”) with respect to the programming, approvals, design, and construction of a new 6,000-capacity sports and entertainment venue and surrounding utilities, roadways, and streetscapes.

This Exhibit (“Exhibit A”) to the Contract outlines B&D’s scope of work, staffing and interaction, timetable, compensation, and method of payment. All references in the Contract and this Exhibit A to the “Parties” shall refer collectively to B&D and Client. Any reference to “Party” shall refer singularly to either B&D or Client, where appropriate.

1. Scope of Work.

A. Preconstruction Phase:

1. B&D will participate in bi-weekly progress meetings with the Client.
2. B&D will review the Client’s budget and schedule, and where necessary, will provide recommendations/input on means to maintain or recover budget and schedule goals.
3. As needed, B&D will assist the Client in the review of change requests and proposals submitted by the Client’s construction manager.
4. B&D will prepare reports throughout the Project as requested by the Client.
5. B&D will support the Client’s negotiation of all required Project agreements including, but not limited to, the ballpark lease, development agreement, and non-relocation agreement. B&D will provide the Client with baseline documents, data support, review of comparable agreements, evaluation of specific deal terms, and participate in negotiating sessions as requested.

6. B&D will advise the Client on and support all activities related to securing approvals from all necessary baseball governing bodies for the Project, including the South Atlantic League, Minor League Baseball, and Major League Baseball.
7. B&D will support all activities required to secure the appropriate public approvals. Tasks may include public, community groups, and city council presentations; analyses; data requests; participation in city council hearings; and responding to baseball specific questions offered by city council and other governing agencies.
8. B&D will support the Client's management of the Project's design to remain in alignment with the budget through cost estimates/value-engineering, design and program reviews, financial analyses, and constructability reviews.
9. B&D will participate in bi-weekly design coordination meetings with the Client, design team, and Kannapolis Intimidators.

B. Construction Phase:

1. B&D will support the Client in the review of guaranteed maximum price ("GMP") or lump sum price proposals submitted by the Client's construction manager.
2. During the construction phase, B&D will participate in monthly progress meetings with the Client, Architect, and contractor(s) to review the progress of the work, identify key issues, and provide direction.
3. B&D will review the Construction Manager's construction schedule and, where necessary, provide recommendations/input on means to maintain or recover schedule goals.

C. Start-Up / Closeout Phase:

1. Working with the Client and Kannapolis Intimidators, B&D will coordinate start-up activities for the Project.
2. B&D will work with the Client, design team, and Construction Manager to close out the Project.

2. Staffing and Interaction.

B&D's Vice Presidents Bill Mykins and Rich Neumann shall direct the overall work effort. Ryan Conway shall coordinate the day-to-day work, and B&D shall assign appropriate staff to provide assistance as necessary. B&D may reassign or substitute personnel upon consent by Client, which consent shall not be withheld unreasonably, or upon the unavailability of previously assigned personnel due to illness or other factors beyond B&D's control. Client shall provide B&D with timely input and feedback, as well as access to information, facilities, and other personnel upon reasonable request. Assistant City Manager Eddie Smith shall serve as B&D's point of contact for purposes of providing instructions to B&D concerning this engagement. Client shall be deemed to have provided instructions to B&D only if Eddie Smith communicated or confirmed such instructions to B&D within a reasonable period. Client may substitute another representative to serve as B&D's point of contact upon reasonable prior written notice to B&D.

3. Timetable.

B&D shall begin its work upon Client's delivery of the executed Contract. The Contract's term will be thirty-four (34) months unless terminated earlier or extended, as allowed for in the Contract. B&D shall devote its commercially reasonable efforts to meeting all target dates set forth by Client. Client shall devote its commercially reasonable efforts to providing timely and accurate information to B&D. Both Parties shall use their commercially reasonable efforts to coordinate specific dates for meetings with key participants and other events. The Parties recognize, however, that it is not possible to guarantee target dates for the Project.

4. Compensation and Method of Payment.

A. For services rendered by B&D as specified in Section 1 of this Exhibit A, B&D shall earn fees on a time-and-materials basis ("Service Fees") with not-to-exceed limits of twenty thousand dollars (\$20,000) per month during the preconstruction phase, ten thousand dollars (\$10,000) per month during the construction phase, and five thousand dollars (\$5,000) per month during the start-up / closeout phase, or three hundred ninety five thousand dollars (\$395,000) in total without prior written approval from Client. B&D's compensation shall be based upon the hourly rates outlined in Attachment 1 to this Exhibit A.

B. In addition to Service Fees, B&D shall be reimbursed for out-of-pocket expenses incurred on Client's behalf. Reimbursable expenses include, but are not limited to, airline and train tickets, overnight accommodations, meals, postage, express delivery service, photocopying and reproduction charges, rental cars, fuel charges, parking, and mileage where applicable. B&D shall use its commercially reasonable efforts to minimize expenses consistent with B&D's professional standards for timely completion of quality work product. B&D shall not incur charges beyond the seventy-seven thousand eight hundred twenty dollars (\$77,820) estimate set forth in Attachment 1 to this Exhibit A without Client's prior written approval.

C. Client shall compensate B&D on a monthly basis for hours worked and expenses incurred. B&D shall submit to Client monthly invoices for Service Fees and expenses incurred during the preceding month, together with any balance forward. B&D shall be entitled to assess a finance charge of "Prime Rate" plus one percent (1%) for any fees and expenses that are not paid sixty (60) calendar days after the date of invoice. Prime Rate means the interest rate offered from time to time by money center banks as published in the "Money Rates" section of The Wall Street Journal. Client shall designate a representative to serve as B&D's point of contact for the submission of invoices and questions concerning their payment status.

D. B&D shall be entitled to additional compensation if, subsequent to its acceptance: (i) Client materially changes the Project's scope, objectives, and/or timetable; (ii) Client otherwise requests or causes B&D to perform substantial additional services not contemplated in Section 1 and Attachment 1 of this Exhibit A; or (iii) Client fails to provide instructions or requested information in a timely manner, makes substantial corrections to instructions or information previously provided, or makes personnel changes that materially affect B&D's performance of the Contract. In such event, the Parties shall attempt to

negotiate a modification or change order. In the absence of agreement regarding any of the foregoing, the Parties reserve their respective rights concerning the fair value of any services provided beyond the scope of Section 1 and Attachment 1 of this Exhibit A.

E. Should B&D become involved in a claim, complaint, or other action involving Client as a result of B&D's work on the Project, and such involvement is not due to B&D's breach of the Services Contract or its gross negligence or willful misconduct, then Client shall reimburse B&D for any reasonable legal, technology, travel, labor, and other direct costs incurred by addressing any such claim, complaint, or other action. Such reasonable costs include, but are not limited to, answering correspondences, court orders, or subpoenas; preparing testimony or documentation; reviewing records; providing testimony or interviews; or consulting with Client or Client's designees. Client agrees that these costs will be in addition to the fees and reimbursable expenses described in Section 1 and Attachment 1.

F. B&D's Federal Tax Identification Number is 52-1847085.

6. Public Relations.

Client shall be solely responsible for the preparation and dissemination of press releases and other information concerning its assessments, objectives, and positions concerning the Project. B&D shall be entitled to issue press releases, respond to media inquiries, and disseminate promotional materials concerning its engagement as a consultant to Client and attainment of key milestones. Any such communications shall be subject to the provisions of the Services Contract. B&D shall provide a draft of all written press and promotional materials to Client at least five (5) business days prior to release. Client shall have the right to make reasonable revisions to such materials within such five-day period. In all events, Client shall provide written notification to B&D within the five-day period concerning any information Client does not wish disclosed.

Thank you for the opportunity to work together on this exciting project. We look forward to the engagement.

Sincerely,

Ryan P. Conway
Senior Project Manager

ATTACHMENT 1
HOURLY RATES / ESTIMATED MONTHLY FEES / ESTIMATED REIMBURSABLE EXPENSES

B&D HOURLY RATES

Position / Hourly Rate	2017 Rate	2018 Rate	2019 Rate
Bill Mykins - Project Director	\$325	\$341	\$358
Rich Neumann - Baseball Specialist	\$325	\$341	\$358
Ryan Conway - Senior Project Manager	\$180	\$189	\$198
Andrew Lieber - Assistant Project Manager	\$140	\$147	\$154
Ryan Conway - Senior Project Manager	\$180	\$189	\$198
Andrew Lieber - Assistant Project Manager	\$140	\$147	\$154

B&D ESTIMATED MONTHLY FEES

Phase	Period	Months	Not-to-Exceed Monthly Fee	Total Estimated Fee
Preconstruction Phase	March 2017 to September 2017	7	\$20,000	\$140,000
Construction Phase	October 2017 to September 2019	24	\$10,000	\$240,000
Start-Up / Closeout Phase	October 2019 to December 2019	3	\$5,000	\$15,000
Total Months:		34	Total Estimated Fee:	\$395,000

B&D ESTIMATED REIMBURSABLE EXPENSES

Expense Category	Unit Cost	Unit Type	Number	Amount
Preconstruction Phase				
Airfare	\$500	Person Trips	42	\$21,000
Hotel	\$150	Person Nights	42	\$6,300
Vehicle	\$100	Person Trips	21	\$2,100
Meals	\$50	Person Trip Days	21	\$1,050
Communications (overnight delivery, etc.)	\$70	Allowance	1	\$70
Other Costs (supplies, data, etc.)	\$70	Allowance	1	\$70
Preconstruction Phase Subtotal:				\$30,590
Construction Phase				
Airfare	\$500	Person Trips	54	\$27,000
Hotel	\$150	Person Nights	54	\$8,100
Vehicle	\$100	Person Trips	27	\$2,700
Meals	\$50	Person Trip Days	27	\$1,350
Communications (overnight, duplications, etc.)	\$180	Allowance	1	\$180
Other Costs (supplies, etc.)	\$180	Allowance	1	\$180
Construction Phase Subtotal:				\$39,510
Closeout Phase				
Airfare	\$500	Person Trips	10	\$5,000
Hotel	\$150	Person Nights	10	\$1,500
Vehicle	\$100	Person Trips	8	\$750
Meals	\$50	Person Trip Days	8	\$375
Communications (overnight, duplications, etc.)	\$50	Allowance	1	\$50
Other Costs (supplies, etc.)	\$50	Allowance	1	\$45
Closeout Phase Subtotal:				\$7,720
Total Estimated Reimbursable Expenses:				\$77,820



**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: Wilmer Melton, III - Director of Public Works
TITLE: Resolution supporting the new transportation projects for the Cabarrus-Rowan Metropolitan Planning Organization Regional Priority Highway List for P4.0 STIP scoring and funding.

A. Action Requested by City Council

Motion to adopt the Resolution supporting the new transportation projects for the Cabarrus-Rowan Metropolitan Planning Organization Regional Priority Highway List for P4.0 STIP scoring and funding.

B. Required Votes to Pass Required Action

Majority present at meeting

C. Background

The City of Kannapolis previously submitted the following Projects as a part of the Statewide Transportation Improvement Program (STIP) for potential funding. As a part of the updated P4.0 STIP scoring and funding, we are required to update our Projects list and affirm our continued support of the listed Projects. The Projects that we are requesting to remain for potential scoring are:

1. Ebenezer Road: Design and construct multimodal facilities along Ebenezer Road from Ridge Avenue to Old Beatty Ford Road and an extension of Ebenezer Road northward on new location for a distance of approximately 2,000 LF from its current terminus at Old Beatty Ford Road to the Relocated Old Beatty Ford Road.

D. Fiscal Considerations

None at this time

E. Policy Issues

City Council approval of the Resolution is required to be considered for P4.0 STIP scoring and funding.

F. Legal Issues

None

G. Alternative Courses of Action and Recommendation

1. Approve the Resolution supporting this new transportation project for the Cabarrus-Rowan Metropolitan Planning Organization Regional Priority Highway List for P4.0 STIP scoring and funding. (Recommended)

2. Deny approval of the Resolution supporting the new transportation projects for the Cabarrus-Rowan Metropolitan Planning Organization Regional Priority Highway List for P4.0 STIP scoring and funding.

H. Issue Reviewed By

Bridgette Bell, Eddie Smith, Mike Legg, Wilmer Melton

ATTACHMENTS:

File Name

- ❏ 2017_03-13_Resolution_of_Support.doc
- ❏ 2017_03-13_Map.pdf

**A RESOLUTION ENDORSING NEW TRANSPORTATION PROJECTS FOR THE
CABARRUS-ROWAN METROPOLITAN PLANNING ORGANIZATION
REGIONAL PRIORITY HIGHWAY LIST**

WHEREAS, the North Carolina Board of Transportation (BOT), every two years, prepares a Statewide Transportation Improvement Program (STIP) that identifies transportation projects to be implemented over the next seven years with State and Federal funding; and

WHEREAS, the North Carolina BOT solicits input for identifying transportation projects of local and regional importance to be included in the next STIP; and

WHEREAS, the Cabarrus-Rowan Transportation Advisory Committee is charged with the development of a Metropolitan Transportation Improvement Program (MTIP); and

WHEREAS, the City of Kannapolis is a member jurisdiction of the CRMPO; and

WHEREAS, the Cabarrus-Rowan MPO encourages the North Carolina Department of Transportation (NCDOT) to design all highway projects, where appropriate, to accommodate bicycle and pedestrian traffic that support alternative means of transportation; and

WHEREAS, the City of Kannapolis has outlined its transportation and highway project priorities within the CRMPO planning area to the MPO;

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Kannapolis endorses the following Project to be evaluated on the list of Projects that will ultimately be considered for the NCDOT FY 2018-2027 STIP.

1. Ebenezer Road: Design and construct multimodal facilities along Ebenezer Road from Ridge Avenue to Old Beatty Ford Road and an extension of Ebenezer Road northward on new location for a distance of approximately 2,000 LF from its current terminus at Old Beatty Ford Road to the Relocated Old Beatty Ford Road.

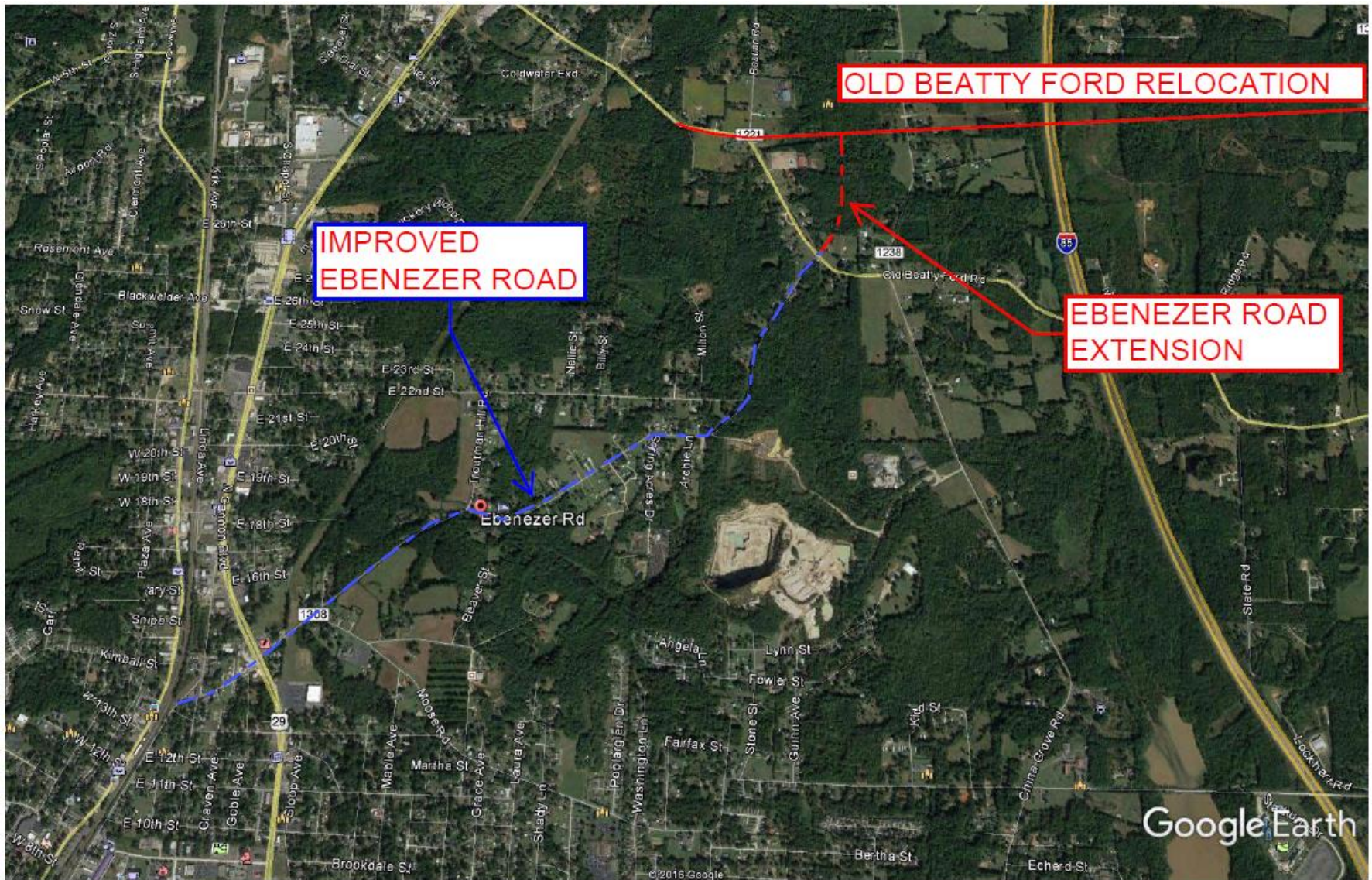
Adopted the 13th day of March, 2017.

City Council
City of Kannapolis North Carolina

Milton D. Hinnant, Mayor

Attest: _____

Bridgette Bell, MMC, NCCMC
City Clerk





**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: Mike Legg, City Manager
TITLE: Closed Session

A. Action Requested by City Council

G.S. 143-318.11 (a) (3) to consult with an attorney in order to preserve the attorney-client privilege and G.S. 143.318.11 (a) (4) for discussing matters relating to the location or expansion of industries or businesses in the area (Mayor Pro tem Wilson)

B. Required Votes to Pass Required Action

C. Background

D. Fiscal Considerations

E. Policy Issues

F. Legal Issues

G. Alternative Courses of Action and Recommendation

H. Issue Reviewed By

ATTACHMENTS:

File Name

No Attachments Available



**City of Kannapolis
City Council Meeting
March 13, 2017
Staff Report**

TO: Mayor and City Council
FROM: Bridgette Bell, City Clerk
TITLE: March

A. Action Requested by City Council

B. Required Votes to Pass Required Action

C. Background

D. Fiscal Considerations

E. Policy Issues

F. Legal Issues

G. Alternative Courses of Action and Recommendation

H. Issue Reviewed By

ATTACHMENTS:

File Name

No Attachments Available