

State Construction Office
Michael J. Shumsky, P.E. | Director

Roy Cooper | Governor
Pamela B. Cashwell | Secretary

OC-25: 20237092004
Proposed Capital Improvement Project
Biennium: 2021-2023

STATE DEPARTMENT: Public Safety
INSTITUTION OR AGENCY: Public Safety General
PROJECT IDENTIFICATION: ABC Commission New Warehouse Campus
PROJECT TYPE: Warehouse/Storage
CLASSIFICATION: New Facilities

PROJECT DESCRIPTION AND JUSTIFICATION: This OC-25 is to determine the Advanced Planning amount to request for a new 600,000SF Automated Warehouse and 60,000SF associated offices to service the needs of the ABC Commission. This facility would accommodate the needed expansion of the current facility operations and create a more streamline and safer working conditions. The land acquisition is not included in this OC-25 since the purchase will be made outside of the GC contract. Once the advanced planning is complete, another OC-25 will be produced to accurately reflect the total scope of the project. While there is no breakdown in the cost estimate attached for the automated system, the numbers were based on a similar facility recently built in Virginia with the same purpose and operations, that was roughly half of the size and half of the cost.

SUPPORTING DOCUMENTATION OF DETAILED BREAKDOWNS:

Attachments: OC-25 Worksheet
Cost Estimate


ESTIMATED CONSTRUCTION COST:			\$234,078,125
DESIGN FEE	10.0%	(% of Estimated Construction Costs)	\$23,407,812.50
PRECONSTRUCTION COSTS	0%	(% of Estimated Construction Costs [1% for CM@Risk])	\$0
COMMISSIONING FEE	1.0%	(0.5% simple, 1% moderate, 1.5% complex)	\$2,340,781.25
SPECIAL INSPECTIONS/MATERIALS	1.3%	(1.25% Estimated)	\$2,925,976.56
SUSTAINABILITY	3%	(3% LEED Gold, 2% LEED Silver)	\$7,022,343.75
ADVANCE PLANNING	2.0%	(% of Estimated Costs - includes programming, feasibility, analysis) \$	\$4,681,562.50
CONTINGENCIES	3%	(% of Estimated Costs [3% New or 5% R&R])	\$7,022,343.75
ESTIMATED COSTS (Estimated Construction Costs + Design Fee + Preconstruction + Commissioning + Special + Sustainability + Advance Planning + Contingencies)			\$281,478,945.31

Escalation % = percent per month multiplied by the number of months: (From Est, Date to mid-point of construction) = 24 months @ 0.05	
ESCALATION COST INCREASE = (Total of Estimated Construction Costs x Escalation %)	\$23,407,813
TOTAL ESTIMATED PROJECT COSTS (Estimated Construction Costs + Escalation Cost increase)	\$304,887,000

DATE RECEIVED: 02/24/2022	APPROVED BY: jmcDaniel	DATE APPROVED: 02/24/2022
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CERTIFICATION

The State Construction Office in accordance with GS 143-341(3) certifies the feasibility of this Statement of Need pursuant to GS 143-6

SIGNATURE: 	DATE: 02/24/2022
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COMMENTS:

DATE	AUTHOR	COMMENT
1. 2/24/2022 3:45:36 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 3:45PM by jmcDaniel
2. 2/24/2022 3:45:34 PM	Interscope (System)	Workflow Step 3 - APPROVE - Status is: Approved on Feb 24 2022 3:45PM by jmcDaniel
3. 2/24/2022 3:42:00 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 3:42PM by rcunningham
4. 2/24/2022 3:41:59 PM	Interscope (System)	Workflow Step 2 - SUBMIT - Status is: Submitted on Feb 24 2022 3:41PM by rcunningham
5. 2/24/2022 3:41:59 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 3:41PM by rcunningham
6. 2/24/2022 3:41:53 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 3:41PM by rcunningham
7. 2/24/2022 3:39:38 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 3:39PM by rcunningham
8. 2/24/2022 3:39:38 PM	Interscope (System)	Workflow Step 3 - APPROVE - Status is: Pending on Feb 24 2022 3:39PM by rcunningham
9. 2/24/2022 2:10:39 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 2:10PM by rcunningham
10. 2/24/2022 2:10:37 PM	Interscope (System)	Workflow Step 2 - SUBMIT - Status is: Submitted on Feb 24 2022 2:10PM by rcunningham
11. 2/24/2022 2:10:37 PM	Interscope (System)	Cost Estimate updated on Feb 24 2022 2:10PM by rcunningham
12. 2/24/2022 2:10:18 PM	Interscope (System)	Workflow Step 1 - CREATE - Status is: Pending on Feb 24 2022 2:10PM by rcunningham
13. 2/24/2022 2:10:18 PM	Interscope (System)	Cost Estimate created. on Feb 24 2022 2:10PM by rcunningham



WORKSHEET-III - NEW OFFICE/WAREHOUSE CAMPUS - ADVANCE PLANNING

Status: Submitted_To_OSBM

Budget Period: 2021-27
Priority: 20
Worksheet Type: Capital Improvements
Project Type: New Facility
Contact Name:
Contact Phone:
Contact Email:

Department/Agency: Department of Public Safety
BRU: Department of Public Safety
Division/Institution: Division of Law Enforcement
County: WAKE
Title: New Office/Warehouse Campus - Advance Planning

GENERAL INFORMATION

Will project replace an existing facility?:	Yes	Has advanced planning been done on this project?:	No
Will project replace leased space with state-owned facilities? :	No	Is this request funded from 100% NGF?:	Yes
Was the allocation mandated by the General Assembly?:	No	Has funding for this project been requested previously ?:	No
Has there been a prior partial funding of this project? :	No		

Description: This request is for the advanced planning for the site selection and planning for a new 100-acre campus for a new automated 600,000 sf Warehouse and a 60,000 sf office complex to accommodate the needs of the central ABC Commission operations in Raleigh. This campus would be centrally located in North Carolina to service the needs of the entire state.

Justification: The current operations have outgrown their existing facilities and are running multiple shifts to keep up with their demands. A new larger automated facility would allow for more stock to be held onsite and available, creating a better efficiency and a safer work environment. The site would also allow for future growth in the industry.

REQUIREMENTS

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
	\$0.00	\$4,681,563.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,681,563.00

RECEIPTS

Description	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Receipts	\$0.00	\$4,681,563.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,681,563.00

SUMMARY

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Total Requirements	\$0.00	\$4,681,563.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,681,563.00
Total Receipts	\$0.00	\$4,681,563.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,681,563.00
Appropriation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

ESTIMATED PROJECT SCHEDULE (DATES)

Begin Design: 1/2/23 Begin Construction: 1/2/23 Completion: 1/2/23 Occupancy: 1/2/23
 Does the requested project impact the operating budget?: No

PROJECT CRITERIA

Health and Safety Considerations: No
 Federal/State Mandate : No
 Critical Timing : No
 Agency Mission & Goals : Yes
 Is the project identified on your agency's previous Six-Year CIP? : No
 Is the project identified on your agency's Master Plan? : Yes
 b>Does the project advance your agency's mission, goals and objectives? : Yes

Description and Justification of How the Project Aligns with your Agency's Strategic Mission, Goals, and Objectives: The current physical plant is woefully undersized for the growing needs of the division. Also, warehouse automation will significantly increase the efficiency of the storage and retrieval of product.

Growth/Demand for Gov't Services? Yes
 Program Effectiveness? Yes
 Does the project correct service deficiency or provide for documented growth in demand for services? : Corrects deficient services and provides capacity for current demand
 To what degree does the project improve program effectiveness? : Significantly improves program effectiveness

Description and Justification for Customer Service and Program Effectiveness: Currently ABC Commissions operation needs have exceeded the current warehouse and office space and have made it necessary to run multiple shifts and lease additional space to keep up with an ever-increasing demand. A larger automated facility would allow them to centralize their operations and streamline production.

Operational Efficiency? : Yes
 To what extent does the project lower annual operating expenses? : More than \$300,000

Description and Justification for operating savings and efficiencies: The efficiencies of a new automated warehouse will minimize staff and provide operational efficiencies. The advanced planning will reveal what envisioned saving are possible.

Fiscal Considerations : No
 Environmental : No
 Economic Development : No
 Preservation of Existing Facilities : No

Operational Costs & Savings(submit net operating impact of capital project):

Description	First Year	Second Year	Third Year	Fourth Year	Fifth Year	All Year Total
Positions(Increase or Reduction in FTE):	0.000	0.000	0.000	0.000	0.000	0.000
Personnel(Additional Costs or Savings):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Maintainance(Additional Costs or Savings):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Energy/Other Operating(Additional Costs or Savings):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equipment/Furnishings(not Incl.in Const.Request):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Requirements(or savings):	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Receipts:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Appropriations:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

If operational increases will be supported by receipts, will fees have to be increased?:

No

ATTACHMENTS

Name	Type	Size	Date	Uploaded By
OC25_20237092004.pdf	application/pdf	173065 Bytes	3/16/22	Lloyd Clark

§ 18B-204. State warehouse.

(a)• Contracting for Private Warehouse. – The Commission shall provide for the receipt, storage, and distribution of spirituous liquor by one of the following methods:

- (1)• By negotiated contract with a privately owned warehouse.
- (2)• By negotiated contract with privately owned warehouses in several regions of the State. The Commission shall choose locations for the warehouses to promote efficient distribution of spirituous liquor to all local boards, to maintain control of that liquor, and to insure the Commission's supervision of warehousing procedures.
- (3)• By the construction of a warehouse, and by contracting for receipt, storage and distribution of spirituous liquor by an independent contractor, by negotiated contract or by the use of procedures for purchase and contract by State agencies, for the operation of that warehouse.

(a1)• Distribution of Spirituous Liquor; No Discrimination. – The Commission shall make a good-faith effort, without discrimination, to make all spirituous liquor distributed by the Commission available to all local boards. The Commission shall adopt rules regarding the ordering of spirituous liquor by local boards and may suspend distribution to a local board of any limited product required to be recorded pursuant to subsection (a3) of this section for a violation of any rule concerning the ordering of the limited product.

(a2)• Providing Ordering Advantage Prohibited. – A contractor that has entered into a contract pursuant to this section shall not directly or indirectly provide information to a local board which gives any advantage to one board over another board concerning product selection, availability, or otherwise obtaining spirituous liquor distributed by the Commission. Any violation of this subsection by the contractor, an employee of the contractor, or any person working in concert with the contractor shall be grounds for the Commission to terminate the contract.

(a3)• Limited Product Record Required; Transparency. – The Commission shall maintain a record of all products that the Commission either (i) limits distribution of due to limited availability or (ii) allocates the distribution of to local boards. The record shall be updated at least monthly and made available to all local boards and shall include the following for all limited distribution or allocated products received by the Commission:

- (1)• The product code number.
- (2)• The brand name.
- (3)• The quantity received by the Commission.
- (4)• The date received by the Commission.
- (5)• The name of each local board that received the product, the date each local board received the product, and the quantity each local board received.

(b)• Audits and Inspections. – Contracts entered into pursuant to this section shall provide all of the following:

- (1)• That an annual audited financial statement be prepared and submitted to the Commission by the person contracting with the Commission.
- (2)• That all warehouse records be available for inspection at all times by the Commission and the Department of Revenue.
- (3)• That all warehouse accounts relating to the receipt, storage, or distribution of spirituous liquor be subject to audit by the State Auditor.

(c)• Emergency or Temporary Operation. – If the independent operator of a warehouse changes, or if some other occurrence results in substantially impeded distribution of spirituous liquor from a warehouse, the Commission may operate that warehouse on an interim emergency or temporary basis.

(d)• Rules. – The Commission may adopt rules regarding warehouse operations, and violations of those rules by a party with whom the Commission contracts shall be grounds for termination by the Commission of a contract entered into under this section. (1937, c. 49, s. 4; cc. 237, 411; 1945, c. 954; 1949, c. 974, s. 9; 1961, c. 956; 1963, c. 426, s. 12; c. 916, s. 2; c. 1119, s. 1; 1965, c. 1063; c. 1102, s. 3; 1967, c. 222, s. 2; c. 1240, s. 1; 1971, c. 872, s. 1; 1973, c. 28; c. 473, s. 1; c. 476, s. 133; c. 606; c. 1288, s. 1; cc. 1369, 1396; 1975, cc. 240, 453, 640; 1977, c. 70, ss. 15.1, 15.2, 16; c. 176, ss. 2, 6; 1977, 2nd Sess., c. 1138, ss. 3, 4, 18; 1979, c. 384, s. 1; c. 445, s. 5; c. 482; c. 801, s. 4; 1981, c. 412, s. 2; 1981 (Reg. Sess., 1982), c. 1285, s. 3; 1987, c. 136, s. 2; 2021□150, s. 24.1.)

§ 18B-208. ABC Commission bonds and funds.

(a)• Issuance of Bonds. – As a means of raising the funds needed from time to time in the design, acquisition, construction, equipping, maintenance and operation of a warehouse under G.S. 18B-204(a)(3), the Commission may, with the approval of the Governor, at one time or from time to time issue negotiable revenue bonds of the Commission. The issuance of revenue bonds shall not directly or indirectly or contingently obligate the State to levy or to pledge any form of taxation or to make any appropriation for their payment. Revenue bonds issued pursuant to this subsection shall be repaid from the bailment surcharge as provided in subsection (b). These bonds and the income from them are exempt from all taxation within the State.

(b)• Special Fund. – A special fund in the office of the State Treasurer, the ABC Commission Fund, is created. On and after November 1, 1982, all moneys derived from the collection of bailment charges and bailment surcharges shall be deposited in the ABC Commission Fund for the purpose of carrying out the provisions of this Chapter. The ABC Commission Fund shall be subject to the provisions of the State Budget Act except that no unexpended surplus of this fund shall revert to the General Fund. The Commission shall fix the level of the bailment surcharges at an amount calculated to cover operating expenses of the Commission and the retirement of bonds issued for construction of a Commission warehouse and offices. Upon payment of the bonds issued pursuant to this section, the Commission shall reduce the bailment surcharge to an amount no greater than necessary to pay operating expenses of the Commission as authorized by the General Assembly.

All moneys credited to the ABC Commission Fund shall be used to carry out the intent and purposes of the ABC law in accordance with plans approved by the North Carolina ABC Commission and the Director of the Budget. The moneys in the Fund shall be expended only upon an appropriation by an act of the General Assembly. (1981 (Reg. Sess., 1982), c. 1285, s. 4; 1983, c. 761, s. 133; 1987, c. 832, s. 1; 1989, c. 800 s. 6; 2006-203, s. 13; 2014-100, s. 15.1.)