



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1314-114 CO#3

File ID: K-1314-114 CO#3

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 17

In Control: City Council

Department: Public Works
Department

Cost:

File Created: 08/10/2015

File Name: Change Order and Final Acceptance of Interstate
Drive East Extension Project

Final Action:

Title: CHANGE ORDER NO. THREE TO CONTRACT K-1314-114: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND SILVER STAR CONSTRUCTION COMPANY, INC., DECREASING THE CONTRACT AMOUNT BY \$245,601.75 FOR A REVISED CONTRACT AMOUNT OF \$3,785,551.35 FOR THE INTERSTATE DRIVE EAST EXTENSION PROJECT, FINAL ACCEPTANCE OF THE PROJECT, AND REIMBURSEMENT TO NORMAN ECONOMIC DEVELOPMENT COALITION (NEDC) IN THE AMOUNT OF \$38,420.13 FOR THEIR PORTION OF COSTS PAID FOR THE 24TH AVENUE N.W./CORPORATE CENTER DRIVE INTERSECTION IMPROVEMENTS.

Notes: ACTION NEEDED: Motion to approve or reject Change Order No. Three to Contract K-1314-114 with Silver Star Construction Company, Inc., decreasing the contract amount by \$245,601.75 for a revised contract amount of \$3,785,551.35; and, if approved, authorize the execution of thereof, accept the project, direct final payment in the amount of \$189,277.57 to Silver Star Construction Company, Inc.; and reimbursement in the amount of \$38,420.13 to NEDC.

ACTION TAKEN: _____

Agenda Date: 08/25/2015

Agenda Number: 17

Attachments: Attachment A Location Map, Interstate Drive signed
change order No. 3

Project Manager: Tim Miles, Capital Projects Engineer

Entered by: rachel.warila@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-1314-114 CO#3

body

BACKGROUND: On August 22, 2006, City Council approved Contract K-0607-45, Development Agreement No. 1 with University Town Center L.L.C., for the initial project activities associated with the traffic improvements needed to mitigate the additional traffic generated by the University North Park (UNP) development.

In 2008, the City constructed 0.62 miles of the 1.7 miles of the I-35 frontage road (Interstate Drive East) from Robinson Street to Conference Center Drive. During the design of the Rock Creek Road Overpass, the bridge was designed to span the future frontage road. On May 8, 2012, City Council approved Development Agreement No. 5 for the UNP Tax Increment Finance (TIF) District which includes funding to complete the frontage (Interstate Drive East) road from Conference Center Drive to 24th Avenue NW. During the summer of 2012, the I-35/Robinson Street Interchange NE Quadrant project tied the I-35/Robinson Street Interchange ramps with the frontage road.

Projects included in Development Agreement No. 5 are:

- Construction of the I-35/Robinson Street NE Interchange (Completed September 2012)
- Construction of the intersection of 24th Avenue NW and Legacy Park Drive (Completed January 2013)
- Construction of Legacy Park and Legacy Trails (Under Construction)
- Design of the I-35/Robinson Street West Interchange (Under Design)
- Construction of the Interstate Drive East Extension (Completed with this Contract)

The construction contract with Silver Star Construction Company, Inc. of Moore Oklahoma for the Interstate Drive East Extension was approved by Council on April 22, 2014. During the design of the project, the scope was changed to include additional items; sidewalk, a 12-inch water line, increased storm water system and a roundabout. These additional items also increased the budget for the project. To address the increased cost, all stakeholders contributed funds to reimburse the City for improvements. Contract K-1314-138 was a Cost Participation Agreement between the City of Norman and the Norman Tax Increment Finance Authority (NTIFA), the Norman Economic Development Coalition (NEDC) and the University North Park (UNP) to reimburse the NTIFA for improvements to the Interstate Drive East Extension Project that benefited those agencies.

In a separate agreement, the Norman Utilities Authority (NUA) created a Payback Project which will reimburse the City of Norman as each private development parcel requires public water service. In addition to these agreements, Council authorized Change Order No. 1 to remove the sidewalk from the project. Sidewalk is considered a development improvement as stated by City Ordinance 19-503(A) and was not included in the Cost Participation Agreement. Sidewalks will be constructed by each subsequent development parcel located along Interstate Drive. The original total construction contract amount for the Interstate Drive East Extension Project was \$3,900,059. Below is the breakdown of the funding:

- NTIFA - \$2,806,156
- NEDC - \$385,680
- UNP LLC - \$369,516
- NUA - \$338,707

On July 22, 2014, City Council approved Change Order No. 2 increasing the project by \$131,094.25 for a revised total contract amount of \$4,031,153.10. Change Order No. 2 allowed for a chemical additive substitution of Quicklime instead of cement kiln dust (CKD) for the soil stabilization after high sulfate levels were discovered in the soil during construction. Typically, CKD is the most economical soil stabilization additive, but when used in the presence of high sulfate levels, it will swell and potentially damage the asphalt pavement. While quick lime mixing was not the only way to solve this problem, it was the lowest cost solution for this project. The revised breakdown of funding after Change Order No. 2 is as follows:

- NTIFA - \$2,937,250
- NEDC - \$385,680
- UNP LLC - \$369,516
- NUA - \$338,707

DISCUSSION: Roadway construction projects are awarded to the lowest responsible bidder. Contractor bids are determined using estimated plan quantities multiplied by the contractor's unit prices for all bid items of the contract. The total of all of these costs represents the contractor's bid. During construction, each quantity was measured in the field and the contractor is to be reimbursed based on the actual quantity. This final Change

Order No. 3 adjusts the contract based on the previously estimated quantity costs to the actual measured quantity costs. In all, 54 bid item quantities changed since Change Order No. 2 with 14 increases for a total increase of \$94,967.33 and 40 that decreased for a total decrease of \$340,569.08. The net contract change is a decrease or savings of \$245,601.75.

The original contract amount of \$3,900,058.85 through all change orders has been reduced to \$3,785,551.35, which is a 2.94% decrease from the original contract amount. The breakdown of funding after Change Order No. 3, if approved, is as follows:

- NTIFA - \$2,767,034
- NEDC - \$347,260
- UNP LLC - \$369,516
- NUA - \$301,741

NTIFA and NUA accounts are pay as you go so these accounts do not need to be reimbursed. Since there was no change in the UNP LLC account, the only reimbursement necessary is for NEDC in the amount of \$38,420.13.

RECOMMENDATION 1: Staff recommends that Change Order No. 3 decreasing Contract K-1314-114 by \$245,601.75 be approved.

RECOMMENDATION 2: Staff further recommends final acceptance of the Interstate Drive East Extension Project and final payment in the amount of \$189,277.57. Funds will be paid from the Interstate Drive East Extension Construction (057-9545-431.61-01 Project No. UT0009).

RECOMMENDATION 3: Staff further recommends reimbursing NEDC \$38,420.13 for the decrease in costs of the 24th Avenue NW/Corporate Center Drive intersection. Funds will be paid from the Interstate Drive East Extension Construction (057-9545-431.61-01 Project No. UT0009).