



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: R-1516-122

File ID: R-1516-122

Type: Resolution

Status: Consent Item

Version: 1

Reference: Item 17

In Control: City Council

Department: Public Works
Department

Cost:

File Created: 08/16/2016

File Name: Project Agent Resolution for CDBG Roadway
Projects 1 & 2

Final Action:

Title: RESOLUTION R-1516-122: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, AUTHORIZING AND APPOINTING SILVER STAR CONSTRUCTION COMPANY, INC., AS PROJECT AGENT FOR THE 2013 COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RELIEF (CDBG-DR) ROADWAY IMPROVEMENT PROJECTS 1 & 2.

Notes: ACTION NEEDED: Motion to adopt or reject Resolution R-1516-122.

ACTION TAKEN: _____

Agenda Date: 08/23/2016

Agenda Number: 17

Attachments: Text File R-1516-122, City and County Projects
Location Map, R-1516-122, Change Order
K-1516-146, K-1516-146, Table 1, Table 2, Table 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:
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Text of Legislative File R-1516-122

body

BACKGROUND: The City of Norman and Cleveland County both received damages to roads after the natural disasters including a May 19, 2013 tornado and multiple (six or more) wild fires in August of 2012. These disasters were all located in the same general area of eastern Norman/Cleveland County. Damages to these roads with thin pavement sections were caused by heavy equipment providing aid during the disaster and recovery phases of the responses.

In June 2014, the U.S. Department of Housing & Urban Development (HUD) released its allocations and program requirements for the CDBG-DR 2013 Program. After learning that this aid was available to repair damages from the two previous natural disasters, both the City of Norman and Cleveland County completed applications to receive funding. On January 26, 2015, the City of Norman was notified by the Oklahoma Department of Commerce (ODOC) that they received a total of \$12,054,090 to fully fund engineering, right-of-way, administration and construction for seven separate projects totaling approximately 11.5 miles in

length as shown for reference in the attached Projects 1-7 Summary and on the attached map.

In November 2015, the City of Norman applied for a second round of CDBG-DR 2013 Program funds the U.S. Department of Housing & Urban Development (HUD) made available. These additional funds were a surplus that HUD had available for this program after the first round of funds were allocated to cities and counties. On January 25, 2016, the City of Norman was notified by the Oklahoma Department of Commerce (ODOC) that they received an additional \$5,004,821 to fully fund engineering, administration and construction for two more projects totaling approximately 5 miles in length as shown for reference in the attached Projects 8 and 9 Summary and on the attached map.

Between these two HUD allocations the City of Norman has received a total of \$17,058,911 to repair approximately 16.5 miles of roads. The above mentioned nine projects and Cleveland County's nine projects included in this CDBG-DR current program are illustrated in the attached map labeled City and County Disaster Relief Project Locations.

On April 12, 2016, City Council accepted Contract K-1516-129 by and between the City of Norman and ODOC for a portion of the first round, Tranche Two CDBG-DR 2013 Program funds. This program requires all funds for construction be expended within 24 months of the execution of the contract. These funds are for five of the seven first round projects (1, 2, 3, 5, and 6) in the amount of \$10,293,600 for construction and construction monitoring and \$308,808 for City administration funds for a combined total award of \$10,602,408. These construction and construction monitoring funds were appropriated into the projects and accounts of the Community Development Fund and are shown for reference in the attached Account Balance Summary.

On May 24, 2016, City Council awarded Bid No. 1516-60 for the 2013 Community Development Block Grant - Disaster Relief (CDBG-DR) Roadway Improvement Projects (3, 5, and 6) to the low bidder, Silver Star Construction Company, Inc. of Moore, Oklahoma, for \$3,188,260.25. Change Order No. 1 increasing Contract No. K-1516-145 by \$587,981.20 was approved for a revised contract amount of \$3,776,241.45.

On May 24, 2016, City Council also awarded Bid No. 1516-63 for the 2013 Community Development Block Grant - Disaster Relief (CDBG-DR) Roadway Improvement Projects (1 and 2) to the low bidder, Silver Star Construction Company, Inc. of Moore, Oklahoma, for \$3,495,138.90. Change Order No. 1 increasing Contract No. K-1516-146 by \$525,970.50 was approved for a revised contract amount of \$4,021,109.40.

The current construction contract amount for the first five projects (1, 2, 3, 5, and 6) awarded is \$7,797,350.85, which leaves a \$6,832,699.15 construction budget available for the remaining 4 projects (4, 7, 8, and 9) and any overruns on all 9 projects.

DISCUSSION: As noted, Contract Numbers K-1516-145 and K-1516-146 were awarded on May 24, 2016. Resolution Number R-1516-122 is a companion item for Contract No. K-1516-146 denoting the contractor as a Project Agent, a legal mechanism that allows a contractor to purchase project materials free of state and local sales tax. For the City's sales tax on material purchases there is no impact on the project, in that the City's sales tax will neither be collected nor will the project cost be increased. For the State sales tax on material purchases, the state sales tax will not be added to the project cost and consequently not remitted to the state. This mechanism saves the City 4.5% of the project cost.

RECOMMENDATION NO. 1: Staff recommends approval of Project Agent Resolution R-1516-122 for Contract No. K-1516-146.