



# City of Norman, OK

Municipal Building Council  
Chambers  
201 West Gray Street  
Norman, OK 73069

## Text File

File Number: K-0910-53 Amend2

**Introduced:** 6/25/2012

**Current Status:** Consent Item

**Version:** 1

**Matter Type:** Contract

Title

AMENDMENT NO. TWO TO CONTRACT NO. K-0910-53: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND GARVER, L.L.C., INCREASING THE CONTRACT AMOUNT BY \$72,700 TO PROVIDE ADDITIONAL ENGINEERING DESIGN SERVICES FOR THE WATER RECLAMATION FACILITY ENERGY AND SUPERVISORY CONTROL AND DATA ACQUISITION (SCADA) IMPROVEMENTS PROJECT.

**ACTION NEEDED:** Acting as the Norman Utilities Authority, motion to approve or reject Amendment No. Two to Contract No. K-0910-53 with Garver, L.L.C.; and, if accepted authorize the execution thereof and appropriate \$72,700 from the Wastewater Fund Balance, (032-0000-253.00-00) to Project No. WW0052, SCADA, Design (032-9911-432.62-01).

**ACTION TAKEN:** \_\_\_\_\_

Body

**BACKGROUND:** On June 23, 2009, staff submitted an application for an Energy Efficiency and Conservation Block Grant (EECBG) administered by the U.S. Department of Energy (DOE) to fund variable frequency drive (VFD) motor controls and new sludge heater units at the Water Reclamation Facility (WRF), formerly the Wastewater Treatment Plant (WWTP). On August 6, 2009, staff was notified of award of the DOE grant in the amount of \$1,001,400.

Supervisory Control and Data Acquisition (SCADA) assists the operator by electronically monitoring various WRF and lift station activities and reporting status to a central location. Prior to this project, the existing WRF SCADA system was at capacity with no additional capacity for control of the new VFDs, the replacement sludge heater units or numerous lift stations throughout Norman.

On August 20, 2009, the NUA approved Contract K-0910-53 with Garver, LLC for design of the WRF Energy & SCADA Improvements Project. Garver's contract included SCADA integration in partnership with the successful contractor. On December 28, 2010, NUA approved Amendment 1 to Garver's contract and awarded Contract K-1011-42 to Oil Capital Electric, LLC (OCE). Notice to proceed was issued to OCE on January 18, 2011 with construction completion by July 16, 2011.

**DESCRIPTION:** Proposed Amendment No. 2 will increase Garver's contract by \$72,700, and includes three (3) components: (1) \$63,200 for an extension of construction administration and inspection services, (2) \$5,100 for additional instrumentation, equipment troubleshooting and programming, and (3) \$4,400 for supplemental integration of instrumentation for electronic security.

During construction, OCE has not provided adequate effort to comply with required project completion schedule. Numerous emails were sent to OCE from both NUA staff and Garver, cautioning them that time was of the essence, and contract time was rapidly expiring. Letters were sent on June 3, July 12, September 16, and November 2, 2011, and January 18, 2012 to notify and warn OCE of consequences of continued delay. OCE repeatedly and continually promised to improve and correct scheduling and management deficiencies. At staff's request, they replaced their project manager in February 2012, four (4) months after anticipated contract completion. Finally, on April 3, 2012, Garver sent a letter to OCE recommending termination of the contract for cause. Following a subsequent meeting, performance improved dramatically, and we are nearing project completion and final acceptance. Nevertheless, Garver's continued assistance is required to complete construction, clearly beyond current scope of their contract.

Secondly, as SCADA work has progressed, unforeseen conditions of existing instrumentation and equipment require excess troubleshooting, assessment and programming, beyond current scope of Garver's contract. Generally, such work is the result of diagnosis of operating parameters that were not apparent prior to implementation of SCADA upgrades.

Lastly, during the project, counsel by the Information Systems (IS) division keeps Utility staff well informed of growing and varied potential electronic security concerns. In order to repel possible electronic security attacks, some supplemental integration of existing and new instrumentation is necessary. Such additional effort is also beyond the current scope of Garver's contract.

Contract K-1011-42 with OCE provides for liquidated damages (LD) of \$1,000 per day if the work is completed late. At contract completion, staff intends to propose a contract time extension for OCE of approximately 67 days to September 23, 2011. However, the current value of LD under the contract with OCE exceeds \$270,000. Although the current request is for a supplementary appropriation to the project for Garver's amendment, Staff intends to enforce the liquidated damages clause of the contract with OCE, which would reimburse NUA for the added expenses resulting from OCE's failure to meet the contract deadlines.

**RECOMMENDATIONS:**

- 1) Recommend the NUA authorize the appropriation of \$72,700 from the Wastewater Fund balance (Account 032-0000-253.00-00) to SCADA Design (032-9911-432.62-01, WW0052).
- 2) Recommend the NUA authorize the Chairman to sign Amendment No. 2 to Contract K-0910-53 with Garver, LLC in the amount of \$72,700.