



City of Norman, OK

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

Text File

File Number: K-0910-125 Amend 1

Agenda Date: 3/12/2013

Version: 1

Status: Consent Item

In Control: City Council

File Type: Contract

title

AMENDMENT NO. ONE TO CONTRACT NO. K-0910-125: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND DRC EMERGENCY SERVICES, L.L.C., AS A PRE-POSITIONED OR 'STAND BY' AGREEMENT THAT OBLIGATES THE CONTRACTOR TO PROVIDE CERTAIN DEBRIS CLEAN-UP REMOVAL SERVICES ON AN AS-NEEDED BASIS.

body

BACKGROUND: Natural disasters commonly occur in Oklahoma including wind storms, ice storms, flooding and tornados. Each event has its own unique debris clean up requirements. When faced with natural disasters, planning is the key to preparedness.

It became apparent after the December 2007 ice storm that the City of Norman should have a Debris Management Plan. A Debris Management Plan ensures a quicker and more thorough and calculated response to a disaster. It also establishes a strategic framework for providing debris removal assistance in support of a Presidential-declared emergency or major disaster and helps qualify a city for additional Federal Emergency Management Agency (FEMA) reimbursements, in some cases. The total cost of debris management following the December 2007 ice storm was approximately \$6,000,000. In that case, the City qualified for 75% FEMA reimbursement and 12.5% reimbursement from the Oklahoma Department of Emergency Management (OEM) so the local share was approximately \$1,000,000.

On November 25, 2008, City Council approved Contract No. K-0809-101 with Beck Disaster Recovery, Inc. (BDR) to prepare the City's first ever Debris Management Plan. On September 8, 2009, City Council adopted the plan.

The Debris Management Plan recommended that the City have a pre-position agreement with 3-5 debris removal companies. Pre-position agreements are stand-by agreements with no associated value. The pre-position agreement with respective debris removal companies will only have value when a Notice to Proceed is issued by the Mayor of the City of Norman for an amount based on the estimated debris clearance and removal quantities at the unit prices and hourly labor and equipment rates set forth in the agreement. The City of Norman will be prepared for the next disaster by having executed pre-position agreements in place and will be able to more quickly start debris removal.

The City of Norman prepared, and advertised according to State law, Bid No. 0910-35 "*Request for Bid of Contractual Services for Disaster Debris Clearance and Removal Services*". The bid quantities listed in the bid schedule were approximately the same as the final quantities of the December 2007 ice storm. Some additional bid items were added which would be associated with a tornado event such as removal of white goods (household appliances, etc.) and abandoned vehicle removal. A bid item for drainage channel debris removal was also added. The bid quantities multiplied by the bidders' unit prices were used as a tool to quantitatively compare the bids of respective bidders.

On November 12, 2009, fourteen (14) bids were received in response to the City's request for bids. The three (3) lowest qualified bidders are listed below:

1. T.F.R. Enterprises, Leander, TX \$7,604,080.20
2. Crowder Disaster Recovery, Tallahassee, FL \$8,110,525.28
3. DRC Emergency Services, LLC, Mobile, AL \$8,623,808.52

Attachment A illustrates the lowest qualified bidder's (T.F.R. Enterprises, Inc.) unit prices of the four

most costly items of work. These items accounted for 97% of the total cost of the December 2007 ice storm.

The City's consultant Beck Disaster Recovery (BDR) advised the City that the three lowest bidders were well known national companies and recommended that the City consider entering into pre-position agreements with them. The Finance Director reviewed each of the company's financial statements (resources and bond rating) and determined they are financially stable companies.

In their December 22, 2009 meeting, the City Council considered the fourteen (14) bids received in response to Bid No. 0910-35, and approved and authorized the execution thereof, the following three (3) Pre-Position Agreements for Disaster Debris Management:

1. Contract No. K-0910-123 with T.F.R. Enterprises, Inc.
2. Contract No. K-0910-124 with Crowder Disaster Recovery
3. Contract No. K-0910-125 with DRC Emergency Services, LLC

As has been the case in recent disasters since the time the three (3) pre-position agreements were authorized and executed, in the event of a disaster, staff will call the contractor with the lowest qualified bid. If the first contractor cannot respond within the time frame listed in the agreement, staff will call the contractor with the second lowest qualified bid to respond, and so on.

The City has utilized the previous agreements three times since they were approved by Council. DRC Emergency Services, LLC has responded and performed in accordance with the attached contract.

The provisions of the pre-position agreements, including the specifications of Bid No. 0910-35 incorporated by reference, set forth the following requirements of the contractor:

1. Attend a Debris Management Kickoff Meeting with the City Manager (City Debris Manager) and other City staff no later than 72 hours following the disaster (or at such time that it is safe to return to the city).
2. Mobilize at least 50% of the debris clearance fleet necessary for project completion within 72 hours of the Debris Management Kickoff meeting.
3. One-hundred percent of the fleet necessary for project completion shall be present within seven (7) working days following the issuance of a Notice to Proceed from the City.
4. The selected contractor shall post a Performance and Payment Bond in the amount of 100% of the estimated contract price within 10 days after the issuance of the Notice to Proceed by the City. The bond shall continue throughout the contract execution period when the City Manager issues a Notice to Proceed, until such time as the scope of work contained in the contract is completed as determined by the City Manager. All work set forth in the scope of work must be approved by personnel authorized by the City Manager.

The City reserves the right to adjust the estimated contract price at the time of the event based on the size, severity and type of debris generating event. Bid prices are locked in for a 3-year period.

DISCUSSION: The pre-position agreements include the provisions establishing an initial effective period of three (3) years with the option to extend the contract for two (2) additional one-year periods upon mutual agreement of both parties. If agreement renewal is agreed upon by both the City and the contractor, price adjustments for set rates will not exceed the average of the Construction Cost Index (CCI) during the 12-months prior to renewal or 5%, whichever is less.

The Public Works Department-Engineering Division contacted all three (3) of the debris removal contractors with whom the City of Norman has Pre-Position Agreements for Disaster Debris Management to determine whether a mutual interest in continuing our contractual relationship for an additional one (1) year existed as well as the conditions under which the respective contractors would be willing to amend their Agreements with the City. All three (3) contractors shared the City's desire to amend our pre-position agreements for debris clearance, removal and disposal service needs.

Based on the early responses by T.F.R. Enterprises, Inc. and DRC Emergency Services, LLC, City of Norman legal counsel prepared Amendment No. 1 to each of the respective December 22, 2009 pre-position agreements. T.F.R. Enterprises, Inc. and DRC Emergency Services, LLC have each provided to the City's Public Works Department-Engineering Division signed counterparts of Amendment No. 1 to their respective pre-position agreements with the City of Norman to extend the term of the agreements by one (1) year under the conditions of the original agreements. Additionally, T.F.R. Enterprises, Inc. and DRC Emergency Services, LLC have provided written notice to the City that they are willing to honor the terms of their original December 22, 2009 pre-position agreements for a period of ninety (90) days beyond the effective term of their current agreement to allow the City to take formal action on Amendment No. 1.

Crowder Disaster Recovery, while sharing a mutual desire to continue a contractual relationship with the City of Norman for debris clearance, removal and disposal services, has submitted a proposal which includes the addition of a separate deployment charge and unit price adjustments in excess of the 2.9% - 3.1% average increase of the Construction Cost Index over the last 12 months. Unfortunately, both of these conditions are beyond the City's ability to consider in light of the extension and amendment provisions of the City's December 22, 2009 pre-position agreement.

RECOMMENDATION: Staff recommends approval of Amendment No. 1 to Contract No. K-0910-125 "Pre-Position Agreement for Disaster Debris Management" with DRC Emergency Services, LLC. If approved, the contract will be extended for one additional year or until December 21, 2013.