



Legislation Text

File #: K-1718-40, **Version:** 1

CONSIDERATION OF AWARDING OF BID 1718-12; CONTRACT K-1718-40 WITH SILVER STAR CONSTRUCTION COMPANY, INC. IN THE AMOUNT OF \$2,226,480.45; PERFORMANCE BOND B-1718-23; STATUTORY BOND B-1718-24, AND MAINTENANCE BOND MB-1718-14 FOR THE 2013 COMMUNITY DEVELOPMENT BLOCK GRANT - DISASTER RELIEF (CDBG-DR) ROADWAY IMPROVEMENT PROJECTS 8 & 9; AND ADOPTION OF RESOLUTION R-1718-14 GRANTING TAX EXEMPT STATUS.

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 Community Development Block Grant-Disaster Recovery (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. Cleveland County received \$10,774,160 in grant funds for nine road repair projects that are currently being administered by the County.

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 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.

Between these two HUD allocations the City of Norman will receive 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. There is a twenty-four month timeline attached to these funds beginning from the time of acceptance. 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.

On May 24, 2016, City Council awarded contract K-1516-145 (Projects 3, 5, and 6) and contract K-1516-146 (Projects 1 and 2) to Silver Star Construction Company, Inc. for a total amount of \$7,797,350.85 including Change Order No. 1 to increase the pavement thickness from 4 inches to 6 inches.

This construction contract is for Projects 8 and 9. Projects 4 and 7 which are currently at the easement acquisition stage with utility relocations closely following behind are the remaining two CDBG-DR projects yet to be bid. Staff anticipates a fall 2017 bid opening with a winter 2017 to spring 2018 construction schedule. Construction funds are available for the last two projects through May 2, 2019.

DISCUSSION: Bid documents and specifications for constructing projects 8 and 9 were advertised according to State Law. Three (3) potential bidders attended the mandatory pre-bid meeting and two (2) bids were received for the project group on August 10, 2017.

The low bidder was Silver Star Construction Company, Inc. of Moore in the amount of \$2,226,480.45, or \$200,156.35 less than the next lowest bidder. The Engineer's Estimate for the project is \$2,886,736.50, which is at \$660,256.05 or 29.7% over the low bid amount. In addition to the above mentioned construction costs, other project costs that are already budgeted will pay for 100% of the design, right-of-way acquisition, construction inspection and administration costs. The City's project design consultant, Atkins North America of Norman, did a comparative analysis of the bids and believes this bid is competitive and a fair bid. The contract time for constructing this roadway project is 100 days for Project 8 and 30 days for Project 9. Project 9 will be completed this fall while Project 8 will likely need to be completed in the spring of 2018 after temperatures are warm enough to finish the asphalt paving operations.

The project construction schedule is as follows:

Award Contract - August 23, 2017
Pre-Construction Conference - September 7, 2017
Construction (Project 9) - September 2017 to October 2017
Construction (Project 8) - October 2017 to February 2018

The Project 9 schedule fully complies with the grant requirements established by ODOC. However, the anticipated Project 8 timeline extends beyond the December 11, 2017 deadline to spend the funds. The bid opening on these projects had been postponed due to delays in private utility relocations for underground utilities in conflict with the proposed project. In addition to the postponed start on Project 8, the contract documents allow the City to have up to a 60-day delayed construction start, if needed, to allow utility companies to finish the ongoing relocation process. City staff has been proactive about the project delay and has requested a formal time extension from ODOC for Project 8. Staff has been in contact with ODOC and our CDBG/Grants Manager has been reassured that the needed project funds will be reimbursed beyond the December deadline.

Adequate funds are available in 120th NE: Tecumseh-Stella (Project 8) (GC0067, 021-4000-463.61-01) and Stella Road: 132nd NE - 144th NE (Project 9) (GC0068, 021-4000-463.61-01) to fund this bid award.

RECOMMENDATION NO. 1: The project team has reviewed the bids and recommends that Bid 1718-12 for the 2013 Community Development Block Grant - Disaster Relief (CDBG-DR) Roadway Improvement Projects 8 and 9 be awarded to the low bidder, Silver Star Construction Company, Inc. \$2,226,480.45.

RECOMMENDATION NO. 2: Staff further recommends that following contract and bonds be approved:

Contract K-1718-40
Performance Bond B-1718-23
Statutory Bond B-1718-24
Maintenance Bond MB-1718-14

RECOMMENDATION No. 3: Staff further recommends that Resolution R-1718-14 be adopted, authorizing Silver Star Construction Company, Inc. as project agent.