



Legislation Text

File #: K-1516-146 CO#3, **Version:** 1

CHANGE ORDER NO. THREE TO CONTRACT K-1516-146: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA AND SILVER STAR CONSTRUCTION COMPANY, LLC, DECREASING THE CONTRACT AMOUNT BY \$147,023.10 FOR A REVISED CONTRACT AMOUNT OF \$4,706,286.30 FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RELIEF (CDBG-DR) ROADWAY IMPROVEMENT PROJECTS 1 & 2, AND FINAL ACCEPTANCE OF THE PROJECT.

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) wildfires 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. Cleveland County received \$10,774,160 in grant funds for nine road repair projects that are currently being administered by the County.

On August 25, 2015, City Council approved Contract K-1516-44 with Atkins North America in the amount of \$690,400 for the design and administration of CDBG-DR Projects 1 through 7.

In November 2015, the City of Norman applied for a second round of CDBG-DR 2013 Program funds made available from the U.S. Department of Housing & Urban Development (HUD). 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 five miles in length, as shown for reference in the attached Projects 8 and 9 Summary.

Between these two HUD allocations the City of Norman 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 the current CDBG-DR program are illustrated in the attached map labeled City and County Disaster Relief Project Locations.

On April 12, 2016, City Council approved Contract K-1516-129 with ODOC for a portion of the first round, Tranche Two CDBG-DR 2013 Program funds. There was a twenty-four month timeline

attached to these funds beginning from the time of acceptance. These funds were 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 in City administration funds for a combined total award of \$10,602,408.

On April 12, 2016, City Council also approved Amendment No. 1 to Contract K-1516-44 with Atkins North America in the amount of \$1,542,232 for the design and administration of the two new CDBG-DR Projects 8 and 9. This amendment also included construction management services for all nine CDBG-DR projects.

On May 24, 2016, City Council approved 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.

On August 22, 2017, City Council Awarded Contract K-1718-40 (Projects 8 and 9) to Silver Star Construction Company, Inc. for a total amount of \$2,226,480.45.

On September 26, 2017, City Council accepted thirteen (13) easements from CDBG-DR Projects #4 (one easement), #7 (eight easements), and #8 (four easements).

On February 13, 2018, City Council accepted three (3) easements from CDBG-DR Project #2.

Also, on February 13, 2018 City Council approved Amendment No. 2 to Contract K-1516-44, with Atkins North America in the amount of \$291,900 for drainage design and right-of-way acquisition services on CDBG-DR Projects 2, 4, 7 and 8.

On March 13, 2018, City Council approved Change Order No. 2 for Projects 1 and 2 in the amount of \$832,200 with Silver Star Construction Company.

Also, on March 13, 2018, City Council approved Contract K-1718-99 to Silver Star Construction Company for the construction of CDBG-DR Project Numbers. 4 and 7 in the amount of \$1,204,000.

On September 25, 2018, City Council approved Amendment No. 1 to Contract K-1516-129 with the Oklahoma Department of Commerce (ODOC) decreasing the 2013 CDBG-DR Grant amount by \$2,587,375.65, reducing the total grant amount from \$17,058,911.00 to \$14,471,535.35 or 15.2%. This loss of grant funds was due to a clerical issue of the United States Department of Housing and Urban Development (HUD) when applying for a time extension for these projects on the City's behalf.

In companion agenda items tonight, Council is being asked to approve final change orders and final acceptance of all remaining construction contracts in the 2013 CDBG-DR Program with Silver Star Construction Company.

DISCUSSION: This Council action is for final Change Order No. 3 on CDBG-DR Projects No. 1 and 2 with Silver Star Construction Company, LLC. Change Order No. 1 was awarded the same day as the original contract to take advantage of excellent bids by increasing the pavement thickness two additional inches. Change Order No. 2 added the bridge sized reinforced concrete box located on 120th Avenue SE just south of State Highway 9 to address existing drainage issues and the newly

discovered deteriorating corrugated metal pipes.

Roadway construction projects are awarded to the lowest responsible bidder. Contractor bids are determined using 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 is verified in the field and the contractor is to be reimbursed, based on the actual quantity used. This Change Order No. 3 will reconcile final quantities used on Project 1 and 2. The attached Change Order No. 3 lists all of the adjusted quantities, which resulted in an overall decrease in the contract by \$147,023.10 or 3%. The attached table shows the entire 2013 CDBG-DR Program Construction Costs.

Funds are available within Community Development Block Grant Fund, CDBG-DR Projects 1 and 2, Construction (account 021-4000-463.61-01; projects GC0060 and GC0065) to make the final payment in the amount of \$244,152 to Silver Star Construction Company, LLC.

RECOMMENDATION NO. 1: Staff further recommends approval of Change Order No. 3, decreasing Contract K-1516-146 with Silver Star Construction Company, LLC by \$147,023.10 be approved for a revised contract amount of \$4,706,286.30.

RECOMMENDATION NO. 2: Staff further recommends final acceptance of CDBG-DR Projects 1 and 2 Contract K-1516-146 and final payment in the amount of \$244,152 to Silver Star Construction Company, LLC be made.