



Legislation Text

File #: K-1718-99 CO#1, **Version:** 1

CHANGE ORDER NO. ONE TO CONTRACT K-1718-99: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND SILVER STAR CONSTRUCTION COMPANY, INC., DECREASING THE CONTRACT AMOUNT BY \$1,182,213.71 FOR A REVISED CONTRACT AMOUNT OF \$21,786.29 FOR THE CDBG-DR PROJECTS 4 & 7 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 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 acquisition, administration and construction for seven separate projects totaling approximately 11.5 miles in length (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 10, 2015 City Council Awarded 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 (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 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 was 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 in City administration funds for a combined total award of \$10,602,408.

On April 12, 2016, City Council also accepted 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 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.

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 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. 1 on CDBG-DR Projects No. 4 and 7 with Silver Star Construction Company, LLC. Unlike the other change orders in separate Council items tonight for the 2013 CDBG-DR Bond Program, Projects 4 and 7 were not constructed. After this group of projects was awarded, the City lost \$2,587,375.65 in project funds that was originally promised from HUD, as a result of a clerical issue when applying for a time extension on these projects. Since the construction funding was lost, these two projects have been placed indefinitely on

hold until a funding source can be identified. The project design and right-of-way acquisitions have been completed and were funded 100% by HUD so the project is ready to be completed as soon as construction funds can be identified. The \$21,786.29 in construction costs paid to Silver Star Construction Company, LLC were for restocking and permit fees that they incurred as a result of stopping these construction projects. The attached table shows the entire 2013 CDBG-DR Program Construction Costs.

The final payment in the amount of \$21,786.29 to Silver Star Construction Company, LLC was made at the time the contractor incurred the restocking and permit fees.

RECOMMENDATION NO. 1: Staff recommends approval of Change Order No. 1, decreasing Contract K-1718-99 with Silver Star Construction Company, LLC by \$1,182,213.71 for a revised contract amount of \$21,786.29.

RECOMMENDATION NO. 2: Staff further recommends final acceptance of CDBG-DR Projects 4 and 7, Contract K-1718-99.