



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 10/24/2023

REQUESTER: Tim Miles, Capital Projects Manager

PRESENTER: Shawn O'Leary, Public Works Director

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CHANGE ORDER NO. ONE TO CONTRACT K-2122-75: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND SILVER STAR CONSTRUCTION COMPANY, INC., DECREASING THE CONTRACT AMOUNT BY \$138,486.26 FOR A REVISED AMOUNT OF \$3,478,424.44 FOR THE EAST ALAMEDA STREET BOND PROJECT FROM RIDGE LAKE BOULEVARD TO 48TH AVENUE S.E., THE FINAL ACCEPTANCE OF THE PROJECT, AND FINAL PAYMENT OF \$173,921.25 AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

On August 28, 2012, the citizens of Norman voted in favor of a Bond Issue to finance the local share of eight transportation/storm water improvement projects. One of the eight 2012 bond projects is the East Alameda Street Widening Project from Ridge Lake Boulevard to 48th Avenue S.E. Attached is a location map showing the project boundaries.

On December 11, 2012, the Norman City Council approved Programming Resolution No. R-1213-78 requesting federal funds for the East Alameda Street Project. This resolution states the City's commitment to adhere to the terms and conditions of a federally funded project including engineering design, acquisition of all necessary rights-of-way and relocation of utilities and encroachments at 100% the City's cost. In return, the Association of Central Oklahoma Governments (ACOG), through the Oklahoma Department of Transportation (ODOT), typically agrees to provide 80% of the construction cost, up to \$3,641,000, and administration of the construction with the matching share from the City of Norman.

Proposed improvements for the East Alameda Street Project include:

1. Widening East Alameda Street from 2 lanes to 5 lanes between Ridge Lake Boulevard and 36th Avenue S.E.
2. Add 10-foot shoulders to East Alameda Street between 36th Avenue S.E. and 48th Avenue S.E.

3. Intersection improvements at East Alameda Street/36th Avenue S.E. and East Alameda Street/48th Avenue S.E.
4. Continuous sidewalks on the south side of East Alameda Street to 36th Avenue S.E.
5. Storm water improvements

On February 26, 2013, City Council approved engineering services Contract No. K-1213-160 with Cabbiness Engineering for the design of the East Alameda Street Bond Project from Ridge Lake Boulevard to 48th Avenue S.E. in the amount of \$196,975.00. Cabbiness Engineering was acquired by Garver, LLC in 2021 so Garver, LLC is now administering this contract.

On November 30, 2020, City Council approved Amendment No. One to Contract No. K-1213-160 with Garver, LLC increasing the contract amount by \$22,500 for a revised contract amount of \$219,475 to provide additional design services on the East Alameda Street Bond Project from Ridge Lake Boulevard to 48th Avenue S.E.

On January 25, 2022, City Council approved Contract K-2122-75 with Silver Star for the construction of the East Alameda Street Bond Project from Ridge Lake Boulevard to 48th Avenue East in the amount of \$3,616,910.70.

Tonight's agenda item is for Final Acceptance of the project and Change Order No. 1.

DISCUSSION:

Construction projects are awarded to the lowest responsible bidder. Contractor bids are determined using estimated 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 reimbursed based on the actual quantity of materials and/or labor used.

Of the one hundred twenty-five (125) bid items, fifty-four (54) items matched the plan quantities, forty-three (43) items had a quantity reduction and twenty-eight (28) items had a quantity increase. These quantity changes resulted in an overall decreased project cost of \$138,486.26, or 3.8%. The contract decreased from \$3,616,910.70 to \$3,478,424.44. Please see the attached Change Order No. 1 for a complete list of bid item cost increases and decreases.

For the most part, final quantities matched closely with plan quantities. The main reason for a significant overall construction cost reduction was due to a field change that utilized project pavement millings for temporary surfacing of drives and access roads instead of using an aggregate material, which saved almost \$80,000.

The final payment amount owed to Silver Star Construction Company is \$173,921.25, which is the full 5% retainage.

The original anticipated funding for the project was \$1,300,000 in bond funds and \$3,650,000 in Federal funds for a total of \$4,950,000. Because the City did not receive federal funding for the

project, alternative funding was needed to complete this project. A large portion of the construction funds came from surplus funds in the 2016 Street Maintenance Bond Program Fund Balance including \$2,452,000 that went toward Silver Star's Construction Contract and another approximately \$850,000 for asphalt that the City Street Division installed on the rural portion of the project. As a result, City Staff recommends transferring the \$138,486.26 cost savings from the construction project to the City's FYE 2024 Street Maintenance Capitol Fund.

RECOMMENDATION No. 1:

City Staff recommends that Change Order No. 1, decreasing Contract K-2122-75 for the East Alameda Street Bond Project from Ridge Lake Boulevard to 48th Avenue East with Silver Star Construction Company by \$138,486.26 from \$3,616,910.70 to \$3,478,424.44 be approved.

RECOMMENDATION No. 2:

City Staff further recommends final acceptance of the East Alameda Street Bond Project from Ridge Lake Boulevard to 48th Avenue S.E., Contract K-2122-75, and final payment to Silver Star Construction, Inc. of Moore, Oklahoma in the amount of \$173,921.25.

RECOMMENDATION No. 3:

City Staff further recommends transferring the contract underrun amount of \$138,486.26 to the FYE 2024 Street Maintenance Capital Fund Balance.

Reviewed by: Scott Sturtz, City Engineer
 Shawn O'Leary, Director of Public Works
 Clint Mercer, Chief Accountant
 Anthony Francisco, Director of Finance
 Jane Hudson, Director of Planning and Community Development
 Kathryn Walker, City Attorney
 Darrel Pyle, City Manager