



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 4/26/2022

REQUESTER: Nathan Madenwald, Utilities Engineer

PRESENTER: Nathan Madenwald, Utilities Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2122-115: A CONTRACT BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND CROSSLAND CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF \$14,650 PLUS \$3,662 FOR EACH ADDITIONAL MONTH AFTER FOUR MONTHS FOR PHASE ONE OF CONSTRUCTION MANAGER AT RISK SERVICES FOR THE NEW LINE MAINTENANCE FACILITY PROJECT.

BACKGROUND:

A new Line Maintenance Facility is being designed to allow the Water and Sewer Line Maintenance Divisions to more efficiently accomplish their mission. The facility will be located northwest of the Water Treatment Plant on the former Hall Park wastewater lagoon site which was recently platted to accommodate the new Emergency Communication and Operations Center (ECOC). The existing facility is located on the City's combined Maintenance Service Center west of Flood Avenue and north of Da Vinci Street ("North Base property"). Re-locating the Water and Sewer Line Maintenance Division's headquarters facility will help alleviate space demands by the Fleet Maintenance, Sanitation and Public Transit Divisions for additional space at the North Base property.

The Line Maintenance Division currently consists of 49 existing employees including 6 administrative staff, 25 water line maintenance employees and 18 sewer line maintenance employees. The project will accommodate expected growth of the Division over the next 20 years. The existing main building (11,000 square feet) contains administrative offices, an employee breakroom and training area, as well as restroom and laundry facilities. Separate buildings are provided for storage and repair of (1) wastewater pumps, piping and repair parts (2,000 SF); (2) fire hydrants, water meters, piping and repair parts (1,200 SF); and (3) emergency generation equipment (400 SF).

Request for Proposal (RFP) 1819-05 was issued for architectural and engineering (A&E) design services for eleven water, wastewater, and sanitation projects on June 12, 2018. 26 proposals were received from A&E firms on July 10, 2018. Five Utilities Department staff members reviewed the proposals independently and then met on August 7, 2018, to discuss consultant qualifications and compare results of the individual consultant review rankings. Ultimately, ten consultants were selected on August 19, 2018, for the eleven projects; Barrett L Williamson

Architects were selected for the design of the Water and Sewer Line Maintenance Facility. Contract K-1920-109 was negotiated and approved by the Norman Utilities Authority (NUA) on January 28, 2020. The scope of the original contract included the schematic design to verify the needs of the Division and verify the sizing and layout for the proposed facility.

The schematic design was completed and included the following proposed improvements:

- Main administration building with safe room (7,000 SF);
- Water maintenance building with three bays, meter area, and work area (7,900 SF);
- Sewer maintenance building with five bays necessary (to store vehicles during winter conditions - 9,000 SF);
- New access road from Robinson Street, to provide shared access with the future Emergency Communication and Operations Center;
- Paving improvements around the site; and
- Storage area at the rear of the property (3,400 SF covered).

Amendment No. 1 to Contract K-1920-109 was approved by the NUA on September 28, 2021, to proceed with final design, bidding, construction and record document services, and to account for the proposed increased size for the facility.

\$3,784,025 was allocated to the Line Maintenance Division headquarters facility project in the fiscal year 2021-2022 Water Fund budget (project WA0329), and \$3,334,025 is proposed to be allocated to the project (WW0329) in the FYE 2023 Water Reclamation Fund budget for the full construction cost (\$7,118,050) of the project.

DISCUSSION:

The proposed Line Maintenance Facility will be located in proximity to the proposed Emergency Communications and Operations Center (ECOC). On January 18, 2022, the Norman Municipal Authority/City Council approved Contract K-2122-88 with Crossland Construction Company for the ECOC facility. \$16,000,000 has been allocated by the NMA/Council to the ECOC facility.

Crossland Construction Company has begun the ECOC construction project, utilizing the Construction Manager at Risk (CMaR) methodology. CMaR is a process whereby the Owner (NMA for the ECOC facility) will hire a "Construction Manager" to handle all of the bidding of the different sections of the work, and all the subsequent construction activity for the project for a Guaranteed Maximum Price (GMP). The GMP is subsequently considered as an amendment (or a series of multiple amendments) to the CMaR contract, after the most responsible bids are secured through the proper bidding procedures that govern public projects.

Project bids are submitted to the CMaR and/or to City Purchasing staff, sealed and opened by the CMaR or staff, consistent with the State and City's bidding policies. This method allows the CMaR to work for the Owner while gathering bids from their best pre-qualified vendors and subcontractors, who have a history of working with the CMaR. This can, in some instances, deliver better bid pricing to a known project manager. Also, the CMaR process can maximize opportunities to get participation from local, smaller sub-contractors. It can result in quicker project delivery with a reduced number of change orders or contract amendments, due to the GMP agreed-on at the time of awarding the amended construction contract(s) to the CMaR.

On November 5, 2021, the City advertised Request for Qualifications 2122-29 for the ECOC and on November 17, 2021, the NMA received CMAr service proposals from four (4) construction management service companies. Two (2) firms were selected for interviews which were conducted by City of Norman Police Department staff and engineering consultants on December 17, 2021. Based on their experience and qualifications, Crossland Construction Company Inc. was selected as the firm having the best proposal for managing the construction work on the ECOC. Their experience and qualifications are also believed to be applicable to the construction of the proposed Line Maintenance Facility.

The proposed Line Maintenance Facility was also planned by staff of the Norman Utilities Authority (NUA) to use the CMAr construction method. Engineering staff of the NUA, and City of Norman Police Department project management staff for the ECOC believe that it is in the best interest of the NUA, NMA, and the City of Norman for both projects to utilize the same Construction Manager at Risk. It is believed by NUA and Police Department staff that some economies of scale can be achieved in the adjacent ECOC and Line Maintenance Headquarters Facility projects if the CMAr chosen by the NMA for the ECOC is also utilized for the Line Maintenance Division Facility, using the selection processes previously undertaken for the ECOC.

The construction will be fully bonded when the construction bids are awarded for the GMP(s). At that stage, the CMAr contract includes all of the necessary professional liability and insurance and affidavits that come with all professional services contracts. Crossland Construction Company Inc. has used this method on many of their projects in the past decade, including work for the City of Norman/Norman Municipal Authority, University of Oklahoma, City of Wichita, KS, City of Tulsa, and Tulsa River Parks Authority ("Gathering Place").

For these projects, since the architectural and engineering design development is well established, the fee for pre-construction services is relatively small compared to the total cost of construction. The CMAr will use the current plans and specifications to secure all bids and create the GMP(s) to be awarded, by amendment to this contract. The amount awarded via this CMAr contract is those monthly expenses listed in the contract associated with doing the business of the CMAr for the anticipated duration of the project. If the project extends beyond this time, unless due to the extreme circumstances itemized in the contract, then those costs are borne by the CMAr, which encourage for the projects to stay on time and within their budgets.

Funds for this Contract will come from the existing Line Maintenance Facility Construction account within the Water Fund (31995521-46101; project WA0329), which has an available balance of \$3,650,000. Future funding as construction progresses will be split between this account and the Wastewater portion, in the Water Reclamation Fund, Line Maintenance Facility, Construction (account 32995521-46101; project WW0329).

The City of Norman is exempt from the payment of any sales or use taxes. Pursuant to Title 68 O.S., Section 1356 (10) and as allowed by Oklahoma Tax Commission Rules Part 27 Trust Authority 710:65-13-140, direct vendors to the NUA are also exempt from those taxes. A bidder and his subcontractors may exclude from their bid sales taxes on appropriate equipment, materials, and supplies that will not have to be paid while acting on behalf of the NUA. To minimize project costs, the NUA will make payment directly to vendors supplying equipment and

materials for incorporation into the project to avoid the payment of sales tax on materials and equipment purchases related to the project.

RECOMMENDATION:

Staff recommends the NUA approve Contract K-2122-115 with Crossland Construction Company, Inc., in the amount of \$14,650 plus \$3,662 for each additional month after four months for the New Line Maintenance Division Headquarters Facility Project (WA0329/WW0329).

Proposed Guaranteed Maximum Price amendments to this contract will be forwarded to the Trustees of the Norman Utilities Authority as the project progresses, toward the estimated \$7,118,050 total cost of the project.