



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/13/2025

REQUESTER: Tim Miles, City Engineer

PRESENTER: Scott Sturtz, Public Works Director

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF AMENDMENT ONE TO CONTRACT K-2324-44: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND OKLAHOMA GAS & ELECTRIC COMPANY INCREASING THE CONTRACT AMOUNT BY \$144,585.00, FOR A TOTAL OF \$552,167.22, FOR RELOCATING OVERHEAD POWER LINES UNDERGROUND ON THE 2019 JENKINS AVENUE WIDENING BOND PROJECT AND APPROPRIATION OF FUNDS.

BACKGROUND:

On April 2, 2019, the citizens of Norman voted in favor of a \$72 million transportation bond issue, which includes nineteen (19) projects. With the anticipated \$67 million in federal dollars being leveraged for these projects, approximately \$139 million is budgeted for the nineteen (19) projects. Please see the attached project list and map showing the approved projects.

On August 19, 2019, City staff advertised Request for Proposal RFP 1920-16 to solicit Consulting Engineering Services for the fourteen (14) bond projects still requiring design. The selection committee consisting of three (3) City staff and two (2) citizens shortlisted nine (9) consultant teams for interviews held on October 2, 2019. The five (5) consultant teams selected after interviews to complete the design on these projects are:

- Garver, Norman
- Cowan Group, Oklahoma City
- Freese and Nichols, Oklahoma City
- MacArthur Associated Consultants, Oklahoma City
- Olsson Associates, Oklahoma City

These consultants are being assigned the various projects by City staff based on capacity, performance on their current projects and capabilities of their firm to complete a specific project.

On November 26, 2019, City Council awarded design Contract K-1920-91, for the Jenkins Avenue Widening Project to Freese and Nichols of Oklahoma City in the amount of \$827,005.00.

On September 8, 2020, the Norman City Council approved Programming Resolution No. R-2021-46 requesting federal funds for the Jenkins Avenue Widening 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), agrees to provide 80% of the construction cost, up to a project maximum of \$7,500,000 in federal funds, and administration of the construction with the matching share from the City of Norman.

On June 14, 2022, City Council approved on-call consultant Contract K-1314-103 with Pinnacle Consulting Group, Inc. of Oklahoma City for Right-of-Way acquisition services on the Jenkins Avenue Widening Project in the amount of \$74,500.00.

On January 24, 2023, City Council approved ODOT Project Agreement Contract K-2223-88 for the Jenkins Avenue Widening Project.

On July 25, 2023, City Council approved Contract K-2324-44 with OG&E for the overhead to underground electric relocation on the Jenkins Avenue Widening Project in the amount of \$407,582.22.

On August 13, 2024, City Council approved Amendment #1 to ODOT Project Agreement contract K-2223-88, for the Jenkins Avenue Widening Project.

On October 10, 2024, ODOT conducted a bid opening and the low bidder was Silver Star Construction Company of Moore, Oklahoma in the amount of \$15,517,350. After deducting the federal share of \$10,200,000, the City's construction cost is \$5,317,350 plus approximately \$1,241,000 in ODOT Construction Management for a total of \$6,558,350.

DISCUSSION:

One of the City's key obligations of this project was to relocate all existing utilities in the corridor that are in conflict with the street and storm water improvements. City staff coordinated the relocation of City owned, franchise, and University of Oklahoma owned utilities on this project. Most of the utilities within the project limits are underground or at the back of the properties except for along the east side of Jenkins Avenue between Timberdell Road and Constitution Street, and along the north side of Constitution Street between Jenkins Avenue and Monitor Avenue. Multiple City Councilmembers have requested that the overhead utilities be relocated underground when they are relocated for the project to make the area more aesthetically pleasing.

Oklahoma Gas & Electric (OG&E)'s cost is more expensive to relocate the electric line underground than overhead. When their utility lines are located within City right-of-way, OG&E relocates their overhead lines to a new location at no cost to the City. Since the City is specifically requesting OG&E to install their system underground, the City is required to pay the cost difference between overhead and underground, which was originally estimated to be \$407,582.22 for this project. This amount was based on the City paying the total actual cost difference between overhead to underground (\$810,640.00) and overhead to overhead (\$403,057.78), which was estimated to cost \$407,582.22.

City Council approved contract K-2324-44 with OG&E in the amount of \$407,582.22 with the understanding that this was based on OG&E's estimate and the final agreed amount owed would be based on the actual cost of the relocation.

Since the time of the estimate, both material and labor costs have significantly increased for underground utility work. As a result, and according to OG&E, the actual cost of this work was \$2,047,892.03 nearly \$1.2 million more than the estimated \$810,640.00. City staff and OG&E staff met to discuss the overage and the amount each party should pay for this relocation. Potentially, the City could have been responsible for \$1,644,834.72, which is the cost difference between the actual underground relocation and the estimated overhead relocation. However, owing to circumstances and information beyond the City's control, OG&E has stepped up and is paying all of the overage with the exception of a field change identified during the pre-work meeting, which resulted in extending the project limits. As a result, the City's final cost is the original estimated amount of \$407,582.22 plus the field change amount of \$144,585 for a total relocation cost of \$552,167.22. City staff greatly appreciates OG&E partnering with the City and accepting the majority of the additional cost.

Although, the underground relocation costs were not included in the original Jenkins Avenue Widening Bond Project budget, the City was successful in obtaining federal funds to pay 80% of construction, which has resulted in an overall project cost savings to date. Funds are currently available in the Jenkins Avenue Widening (Project No. BP0417, Account No. 50594019-46701) to pay the \$552,167.22 OG&E invoices.

RECOMMENDATION:

Staff recommends approval of Amendment No. 1 to Contract No. K-2324-44 with Oklahoma Gas & Electric and payment of the two invoices totaling \$552,167.22.