



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 2/22/2022

**REQUESTER:** Jason Murphy, Stormwater Program Manager

**PRESENTER:** Shawn O'Leary, Director of Public Works

**TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CHANGE ORDER NO. ONE TO CONTRACT K-2021-68: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND PM CONSTRUCTION & REHAB, L.L.C., INCREASING THE CONTRACT AMOUNT BY \$16,426.17 FOR A REVISED CONTRACT AMOUNT OF \$1,094,204.17 FOR THE FYE-2021 STORMWATER PIPE REPLACEMENT PROJECT, VICKSBURG AVENUE/SAWGRASS DRIVE/BUCKHORN DRIVE, FINAL ACCEPTANCE OF THE PROJECT, FINAL PAYMENT IN THE AMOUNT \$88,619.67, AND BUDGET TRANSFER AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

During routine maintenance of the City of Norman's stormwater infrastructure, Stormwater Maintenance staff identified corrosion, cracks and other deficiencies in a corrugated metal pipe located along Vicksburg Drive to the south side of Chalmette Drive. Also, in response to citizen complaints regarding recurring sinkholes in their yards due to leaking stormwater pipes, pipes located between houses at 1302 and 1312 Sawgrass Drive and 3432 and 3436 Buckhorn Drive were found to be in need of replacement or relining. Over the years, attempts to patch these pipes in various locations and address sinkholes as they occur have been made, but it ultimately reached the point where patching was no longer a viable option for these locations; the pipes need to be replaced or relined. In order to complete this project in a timely manner, on September 6, 2019, using the Agreement for On-Call Engineering Services between City of Norman/Norman Utilities Authority and Cardinal Engineering, acquired by Parkhill Engineering (Contract K-0910-62), Parkhill was authorized in the amount of \$6,950 to prepare a plan set and bid documents for this project.

The bid opening was conducted on January 7, 2021, the Engineer's Estimate for the Bid was \$1,758,069.50. The lowest bid in the amount of \$1,077,788, submitted by PM Construction & Rehab, LLC, is \$680,281.50 (38.7% percent) below the estimate. Cardinal Engineering reviewed all six (6) bids, found PM Construction & Rehab, LLC, bid and qualification to be competent to complete the project, and recommended award of the contract to PM Construction & Rehab, LLC.

On February 23, 2021, City Council awarded K-2021-68 for the FYE 2021 Pipe Replacement Project (DR0067) in the amount of \$1,077,778 to PM Construction & Rehab, LLC. As of September 20, 2021, all work has been completed at the locations identified in Contract K-2021-68.

#### **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 to be reimbursed based on the actual quantity of materials and/or labor used.

During an inspection of the construction progress in July 2021, PM Construction & Rehab notified the project manager that the bid relining process for the Buckhorn Drive location would not be possible. After further inspection, it was determined the 30-inch storm water pipe would need point repair over the length of the structure. Due to rust and erosion the pipe bottom was not structurally sound to complete the relining or Cured-In-Place Pipe process. PM Construction & Rehab provided an updated bid to replace the pipe which would result in a contract increase of \$23,000.

During the pipe replacement at Buckhorn Drive a sewer line was damaged and required repair. The sewer line repair was completed by the Sewer Line Maintenance staff at a cost of \$1,997.61. After a final inspection of the pipe relining at Sawgrass Dr., it was determined that a storm water inlet box was damaged during construction. Due to the lead time on a repair, the stormwater maintenance division agreed to complete the repair. The inlet box repair cost completed by the Stormwater Maintenance Division staff in the Public Works Department, at a cost of \$4,576.22.

The pipe replacement cost resulted in a total contract increase of \$23,000 or 2.00%. Due to the damages of the storm water inlet and the sewer line pipe, a credit in lieu of damages was assessed, decreasing the total contract amount of \$6,573.83, for an overall contract increase in the amount of \$16,426.17. The total contract increased from \$1,077,778 to \$1,094,204.17 (please see the attached Change Order No. 1 for a complete list of bid item cost increases and decreases). Funds are available for the increase in Stormwater Drainage, Miscellaneous Locations, Construction (Account 50599967-46101; Project DR0067) in the amount of \$2,212; and Stormwater Drainage, Construction (Account 50599968-46101; Project DR0057) in the amount of \$14, 215.

The final payment amount owed to PM Construction & Rehab, LLC DBA IPR South Central is \$88,619.67, which includes the full 5% retainage.

#### **RECOMMENDATION 1:**

Staff recommends that Change Order No. 1, increasing Contract K-2021-68 for the FYE 2021 Pipe Replacement Project Vicksburg Ave., Sawgrass Dr., and Buckhorn Dr. with PM Construction & Rehab, LLC DBA IPR South Central by \$16,426.17 from \$1,077,778 to \$1,094,204.17, be approved.

**RECOMMENDATION 2:**

Staff further recommends final acceptance of the FYE 2021 Pipe Replacement Project Vicksburg Ave., Sawgrass Dr., and Buckhorn Dr. Contract K-2021-68, and final payment to PM Construction & Rehab, LLC DBA IPR South Central be approved in the amount of \$88,619.67.

**RECOMMENDATION 3:**

Staff requests approval to transfer funds in the amount of \$14,215 from Stormwater Drainage, Construction and Stormwater Drainage, Miscellaneous Locations, Construction (Project DR0057) to Stormwater Drainage, Miscellaneous Locations, Construction (Account 50599968-46101; Project DR0067).