



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 4/11/2023

REQUESTER: Taylor Johnson, Transit and Parking Program 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-2223-72 BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND STRONGHOLD CONSTRUCTION, LLC, INCREASING THE CONTRACT AMOUNT BY \$52,980.13, FOR A REVISED CONTRACT AMOUNT OF \$928,314.13 FOR COSTS ASSOCIATED WITH ASBESTOS REMEDIATION; AND APPROPRIATION OF CAPITAL FUND BALANCE.

BACKGROUND:

In August of 2018, University of Oklahoma officials advised City of Norman staff of their desire to transfer non-campus bus services in Norman to another operator by the end of the 2019 fiscal year. The City of Norman took over the operations of the City public transportation system on June 1, 2019, from the University of Oklahoma. Since then, staff has worked diligently to maintain operation of the service and to evaluate how to better serve Norman's citizens. This work has included collaborating with EMBARK for day to day operations, pursuing grant opportunities to maximize local funding, and developing and implementing the Go Norman Transit Plan.

During the education campaign for the Public Transit Sales Tax in September-November 2019, staff heard from the community and Council about the need to update our long-term vision for the transit system in Norman since the City took over operations.

Using Request for Qualifications RFQ-1920-60, City staff solicited proposals to update the City's Long Range Transit Plan. There were many key objectives proposed in RFQ-1920-60, with one being "provide recommendations on a new transfer station location/area and recommend route changes to accommodate the new location/area". An evaluation committee made up of City staff, stakeholders, and community members scored and ranked the proposals received in response to RFQ-1920-60. At the conclusion of the evaluation process, Nelson\Nygaard Consulting Associates, Inc. (Nelson\Nygaard) was selected as the most qualified firm for the proposed project.

Project kickoff occurred in August 2020 and following an 11-month process of evaluation, including receiving community and stakeholder feedback, the Go Norman Transit Plan was developed. The finalized plan, which was unanimously adopted by Council on June, 22, 2021, serves as a guide for improving Norman's public transportation system in the immediate, near, and long term. Along with evaluations of the existing route system and fare analysis, the plan made recommendations for location of a new transit center, route changes and expansions, bus stop locations, and capital replacement. An adopted, current plan also makes the City more competitive with securing grant funding for improvements.

The City has made progress on multiple projects that work towards the initial recommendations in the Go Norman Transit Plan. Those concerning the proposed new transit center include the following:

Evaluation and acquisition of property at 320 East Comanche Street to be renovated as the new City Transit Center. Council approved the purchase sale agreement on January 19, 2022 and the City assumed ownership on March 4, 2022.

Council then approved a contract with McKinney Architects to provide Architectural and Engineering services for the property on May 10, 2022.

In order to integrate the property at 320 E Comanche St into the recommendations of the Go Norman Transit Plan, a contract amendment with Nelson/Nygaard was proposed and approved by Council on March 8, 2022. This work included updating the system and route maps to realign with the new property, developing transit center bus bay requirements and transfer matrix and a new downtown transit center map, and assisting with identifying potential transit center amenities. This work was completed and presented to the City Council Community Planning and Transportation Committee on June 23, 2022. Separate from this amendment, Nelson/Nygaard provided technical expertise to the architect for the transit center renovations.

Throughout fall 2022, Staff worked with the architect to finalize designs. Once finalized, in December 2022, bid documents were then solicited and a mandatory pre-bid meeting was conducted. On January 4, 2023, the City of Norman opened bids for the City Transit Center Remodel project. The low bid from Stronghold Construction was \$875,334. On February 14, 2023 City Council approved contract K-2223-72 with Stronghold Construction. A notice to proceed was given on February 28, 2023 and construction officially began March 1, 2023.

DISCUSSION:

On March 14, 2023, during the demolition phase the contractor suspected that the joint compound between drywall contained asbestos and sent the material to be tested by a licensed, third party testing company. The results were sent back the same day and showed that the test was positive for 3% Chrysotile and that the material was friable. The next day, March 15, the contractor informed their sub-contractors that all interior work was to stop immediately. The City then hired Tec-An, Inc (the same asbestos remediation company that worked on The Development Center and who is on the State Contract) on March 15 to perform air quality testing for \$1,175. Those test results were received on March 16 and showed the air quality to be below the state standards for alarm.

The City then hired Tec-An, Inc. on March 16 for \$1,800 to perform a comprehensive test of all suspect materials in the facility to ensure all asbestos containing materials were identified. Those results were received on March 20 and confirmed the asbestos found in the joint compound of the drywall, but also found asbestos in some of the tile in the bottom level which was non-friable.

City staff then requested a cost proposal and recommendations from both Tec-An and Stronghold Construction for 1) cleaning the facility of the asbestos that has been disturbed and leaving the remaining material and 2) complete removal of remaining asbestos material. The recommendation by Tec-An, Stronghold, and The McKinney Partnership is to completely remove remaining asbestos containing materials to remove the chance of any future exposure and so the remodel work can continue in full force. This will ensure that any work completed by the contractor and their subs will not be delayed in the future, if the occasion arises that they potentially need to disturb the asbestos containing material. In addition, if the asbestos containing material were to remain there would be required signage that would need to be posted, which may make those utilizing the facility uncomfortable and could be a liability concern for the City moving forward.

With that, on March 28, 2023 the City Manager authorized Tec-An to perform the removal/remediation process at a cost of \$29,850. This approval ensured that the process and paperwork could begin and reduce the delay in the project as much as possible. This cost was able to be covered with the project's existing contingency.

In regards to the asbestos removal, this proposed change order for Stronghold Construction covers the cost of additional, new drywall that will need to be installed once the removal of the old drywall is complete with the remediation process. In addition, it covers the cost of new flooring where asbestos containing tile was detected. Finally, the change order covers the cost to the contractor and their sub-contractors for delays and remobilization for the project. This cost is \$52,254.01.

This change order also covers a cost increase of \$726.12 to provide power to keypad access doors and ensure access control is adequate at this facility.

This change results in an increase of the lump sum contract amount of \$52,980.13 or approximately 6% of the original contract amount. If approved, the overall contract amount will have increased from \$875,334 to \$928,314.13.

This change order also adds 6 days to the contract due to precipitation. This changes the project completion date from June 29, 2023 to July 5, 2023. It is anticipated that additional days will be requested once the asbestos remediation process is complete and all parties know the extent of the delay. These additional days will be addressed in a future, proposed change order.

The change order will require a budget appropriation from the Capital Fund Balance (Account 50-29000), to Transit Center Project, Construction (Account 50593379-462101; Project BG0254), to cover these additional costs.

RECOMMENDATION:

Staff recommends the following:

1. Approval of Change Order No. 1 for the Transit Center Remodel Project, Contract K-2223-72 with Stronghold Construction, LLC of Oklahoma City, Oklahoma in the amount of \$52,980,13.
2. Approval of a budget appropriation in the amount of \$45,126.89 from the Capital Fund Balance to Transit Center Project, Construction.