



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 08/08/2023

**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 CONTRACT K-2324-44:  
BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND OKLAHOMA GAS & ELECTRIC COMPANY IN THE AMOUNT OF \$407,582.22 FOR RELOCATING OVERHEAD POWER LINES UNDERGROUND ON THE 2019 JENKINS AVENUE WIDENING BOND PROJECT AND BUDGET TRANSFER OF FUNDS AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

On April 2, 2019, the citizens of Norman voted in favor of a \$72 million transportation General Obligation 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, which were 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.

On September 8, 2020, the Norman City Council approved Programming Resolution 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.

On January 24, 2023, City Council approved an ODOT Project Agreement for the Jenkins Avenue Widening Project.

On May 23, 2023, City Council accepted four (4) easements from two (2) property owners for the Jenkins Avenue Widening Project.

On June 13, 2023, City Council approved two utility easements paralleling Jenkins Avenue through Reaves Park including a general utility easement for multiple utilities and a corrected dedicated Oklahoma Natural Gas (ONG) private easement that replaces a similar-sized vacated ONG private easement.

The City's current construction cost estimate for the project is \$9,755,000 plus 12% Construction Engineering (\$1,170,600) for a total of \$10,925,600. Based on this amount, City 2019 Bond Funds will pay \$3,425,600 or 31% and federal funds will pay \$7,500,000 or 69% of construction and construction management costs. Federal funds have been secured for federal fiscal year 2023-2024 (FFY2024), which means ODOT could take bids for the project as early as November 2023. Land acquisitions have taken longer than anticipated, however, which has resulted in utility relocation delays. City staff anticipates a summer 2024 bid opening with construction starting in the winter of 2024.

## **DISCUSSION:**

One of the City's key obligations of this project is to relocate all existing utilities in the corridor that are in conflict with the future street and storm water improvements. City staff is currently coordinating 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 those 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 installed 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 is estimated to be \$407,582.22 for this project.

Cox Communications and AT&T infrastructure is also installed on the same existing, overhead OG&E poles and will need to be relocated underground. Similarly, the City will be responsible for paying the cost difference of overhead to underground. Cox Communications preliminary estimate of additional cost to go underground is \$220,000. City Staff will bring their agreement to City Council once we have one from them. AT&T has not yet requested additional funds for their overhead to underground installation. If approved, this project to place three existing overhead utilities underground could exceed \$967,582.22, which includes \$407,582.22 for OG&E, \$220,000 for Cox, and \$340,000 for AT&T.

OG&E is requesting the City approve the attached project agreement. City staff has reviewed and recommends approval of the project agreement and resolution.

In summary, the OG&E's responsibilities in this agreement are:

- Provide labor and material to relocate its existing facilities
- Provide required insurance for the project
- Installed facilities will remain the property of OG&E
- OG&E will pay the equivalent cost of overhead to overhead relocation cost estimated to be \$403,057.78

In summary, City's responsibilities are:

- The City shall grant OG&E permission to use its rights-of-way and easements to install, operate, maintain and remove its electrical facilities
- The City will pay the total actual cost difference between overhead to underground (\$810,640) and overhead to overhead (\$403,057.78) estimated to cost \$407,582.22.

Funds were not originally budgeted in the 2019 Jenkins Avenue Widening Bond Project for the additional cost to relocate utilities from overhead to underground. However, City staff was successful in obtaining \$7,500,000 in federal funds through the Association of Central Oklahoma Governments (ACOG) to be used toward the construction of this project that was not originally accounted for in the project fund. City staff proposes to use some of the bond funds that are available in the project account as a result of receiving the federal funds. This will require a transfer of funds in the amount of \$407,582.22 from Jenkins Avenue Widening Project, Construction (Account 50594019-46101; Project BP0417) to Jenkins Avenue Widening Project, Utilities (Account 50594019-46701; Project BP0417).

#### **RECOMMENDATION 1:**

Staff recommends a transfer of the budgeted construction funds in the amount of \$407,582.22 from Jenkins Avenue Widening Project (BP0417), Construction (Account 50594019-46101) to Jenkins Avenue Widening Project, Utilities (Account 50594019-46701).

#### **RECOMMENDATION 2:**

Staff further recommends approval of Contract K-2324-44 with Oklahoma Gas & Electric.