



Date: October 11, 2011

To: Thomas J. Bonfield, City Manager
Through: Theodore L. Voorhees, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Jerry F. Morrone, Utility Engineering Supervisor
Subject: Hillandale Road Dual Waterline Replacement, Phase II

Executive Summary

On August 24, 2011, eight bids were opened for Hillandale Road Dual Waterline Replacement, Phase II project ("Hillandale Road Project"). The project consists of installing 5,400 linear feet of 36" diameter water transmission main, beginning at the intersection of Main St. and Rutherford St. and ending on Main St., near Peabody St. This project is the second phase of the replacement of two mains which are more than 100 years old. Phase I of this project, approved by Council on April 19, 2010, was recently completed. Replacement of these mains was identified in a City-wide hydraulic analysis, performed in 2002, with subsequent updates. The Department recommends that the City of Durham award this project to Park Construction of North Carolina, Inc., of Morrisville, North Carolina. It is the Department's opinion that Park Construction is the lowest responsive and responsible bidder, and that this award is in the best interest of the City of Durham. Their bid amount is \$4,327,606.26. The Department is also recommending a contingency fund (~10%) be established for the construction.

Recommendations

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract with Park Construction of North Carolina, Inc., for Hillandale Road Dual Waterline Replacement, Phase II project for an amount of \$4,327,606.26; and
2. Establish a contingency fund for the contract in the amount of \$432,393.74; and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$432,393.74 and the total project cost does not exceed \$4,760,000.00.

Background

As part of an on-going effort to strengthen the reliability of the City's water transmission system, the City hired the engineering firm of Kimley-Horn and Associates, Inc. to design the installation of 5,400 lf, of 36-inch waterline, as a replacement of portions of two 1900's era transmission mains. The Hillandale Road Project was identified in a City-wide hydraulic analysis, performed in 2002. Phase I consisted of replacing these two lines from the Williams Water Treatment Plant to Rutherford Street. Phase I of this project was completed in June 2011, and is online. Phase II of the project consists of installing the 36" diameter water transmission main from the intersection of Main Street and Rutherford Street and ending on

Main Street, near Peabody Street. Phase II will allow the City to continue the project, while abandoning long sections of the old mains, which increases system reliability and addresses concerns regarding access to critical infrastructure. Later phases will continue the replacement through the downtown area, and connecting to the transmission system along Pettigrew St., near the East Durham Elevated Water Tank. Design of these future phases has not yet begun.

Issues and Analysis

Competitively bid projects are subject to North Carolina bidding statutes, which provide that awards are to be made to the lowest responsive and responsible bidder, taking into consideration quality and performance and in the best interest of the City. A 'responsive bidder' is one which has complied with the Invitation to Bid and Instructions to Bidders. A 'responsible bidder' is one which has the skill, integrity, past acceptable work experience and financial and technical capabilities to complete the work in a satisfactory manner.

Below is a summary of the eight bids received. The Department and its consultant analyzed the bid information submitted and all bidders were deemed 'responsive'.

Triangle Grading and Paving, Inc.	\$4,325,796.26
Park Construction of N.C., Inc.	\$4,327,606.26
Sullivan Eastern, Inc.	\$4,369,728.26
Moffat Pipe	\$4,479,678.26
D.H. Griffin Infrastructure	\$5,660,411.26
T.A. Loving Co.	\$5,913,176.26
Dellinger	\$6,088,847.26
J.F. Wilkerson	\$6,966,342.26

The Department and its consultant performed a due diligence investigation on the three lowest bidders, to consider individual bidder performance and quality based upon past and present projects. This, in part, included interviews with current and past clients and references, licensing boards, and financial and bonding companies. Based on this investigation, it is the Department's opinion that Park Construction of North Carolina, Inc. is the lowest responsive, responsible bidder, and it is in the City's best interest to award this project to them.

With respect to selecting the second-low bidder, Triangle has requested its bid be withdrawn from consideration, and the Department recommends not awarding to Triangle as in the best interest of the City. Currently Triangle is working on two City projects, US 70 Raleigh Interconnection and SW-25 2009 Sidewalk and Curb Cut Ramp Installation. In the opinion of City staff, Triangle's progress on both projects is not adequate to justify award of the Hillandale Road Project to Triangle given the size and complexity of the project. Additionally, the Hillandale Road Project is located in and around residential areas of the City, and the City has received citizen complaints regarding the quality of restoration of yards and driveways in the SW-25 2009 and Curb Cut Ramp project.

Lastly, a significant point of concern is construction safety. Although, the City has not heard the results of the yet-to-be completed investigations by the NC Department of Labor (Occupational Safety and Health Division) and the NC Licensing Bureau of General Contractors into the two Triangle worker fatalities which occurred on June 7, 2011, on the US 70 project, City staff is sufficiently concerned about Triangle's attention to safety.

Also, there was a separate safety related incident that occurred on the US 70 project. Triangle was the cause of a non-injury motor vehicle accident involving a downed wire and a commuter. Though the accident resulted in only minor damage to the citizen's vehicle, our inspector's account of the event puts into question Triangle's regard to follow adequate safety procedures.

Again, in summary, in the best interest of the City of Durham, the Department concludes that Park Construction as the lowest responsive and responsible bidder, and recommends award to them.

Alternatives

Alternate 1

One alternative would be to award the contract to Triangle Grading and Paving despite the reasons outlined above. The project is located in a high traffic area adjacent to Duke University. This alternative will likely lead to citizen complaints and added staff time similar to the two current projects with this bidder.

Alternate 2

Another alternative would be to reject all the bids and re-bid the project. This will result in a delay of approximately 5-6 months. As the design has progressed, we have work with several large stakeholders, including NCDOT, Duke University and Erwin Square offices, to accommodate their project schedules. This delay will would impact their projects.

Financial Impacts

Funds for this project are available in the Capital Improvements Program, Water Distribution System Rehabilitation fund.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Park Construction of North Carolina, Inc., Morrisville, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 6% and WSDBE 2%. It was determined that Park Construction of North Carolina, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

M/WBE REQUIREMENTS

Park Construction of North Carolina, Inc. will subcontract to the following certified firms:

Firm	ID	City/State	Amount	% of Contract
Carolina Pipe	DBE,MBE	Garner, NC	\$ 275,000	6%
Calamar, Inc.	WSDBE	, NC	\$ 113,500	2%

The MSDBE and WSDBE goals were both met.

*Carolina Pipe is a certified DBE, MBE with the North Carolina Department of Transportation and can therefore be used to meet the minority goal.

WORKFORCE STATISTICS

The workforce statistics for Park Construction of North Carolina, Inc. are as follows:

Total Workforce	37	
Total Females	1	3%
Total Males	36	97%
Black Males	0	0%
White Males	14	38%
Other Males	22	59%
Black Females	0	0%
White Females	1	3%
Other Females	0	0%