



Date: July 17, 2012
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: Raleigh Interconnection US 70 Phase II Construction Contract

Executive Summary

On June 28, 2012, eight bids were opened for the Raleigh Interconnection US 70 Phase II project. The project consists of installing approximately 7,800 linear feet of 24" diameter water transmission main, beginning at the intersection of US 70 and Page Drive Extension and ending near the intersection of TW Alexander Drive and US 70 in Wake County. This project is the second phase of the installation of a 24" diameter line that connects the City of Durham and the City of Raleigh's water distribution systems. The installation of this main 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 Sullivan Eastern, Inc, of Durham, North Carolina in the amount of their bid of \$2,244,770.00. 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 Sullivan Eastern, Inc, for the Raleigh Interconnection US 70 Phase II Project for an amount of \$2,244,770.00; and
2. Establish a contingency fund for the contract in the amount of \$220,000.00; and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$220,000.00 and the total project cost does not exceed \$2,464,770.00.

Background

The City of Durham Department of Water Management owns and operates six interconnections with other area utilities, including one interconnection with the City of Raleigh's water system on TW Alexander Drive. The interconnections currently in service provide each utility connected the ability to share water under the provisions established in Interlocal Agreements. The ability to share water allows each utility to access alternate sources of water during droughts, equalize pressure during high flow events, establish emergency connections to other utilities and have access to alternate water sources during construction on major existing infrastructure.

The proposed interconnection on US 70 will provide a second connection to the City of Raleigh's water distribution system. This connection has been divided in to two phases, with the already-completed Phase I connecting to existing City of Durham water infrastructure at the intersection of Miami Boulevard and Angier Avenue and extending to existing City of Durham water infrastructure at

the intersection of Page Road Extension and US 70. Phase II will connect to the end of the Phase I line, and fully extend the connection in to Wake County, where it will connect to the existing City of Raleigh system at the intersection of TW Alexander Drive and US 70. The proposed water line alignment will remain within the US 70 Right of Way (ROW) for the majority of construction. A secondary benefit of this transmission main is that it will serve as the main feed line in to the proposed Southeast Pressure Zone.

Issues and Analysis

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’.

Sullivan Eastern, Inc.	\$2,244,770.00
Centurion Construction Company, Inc.	\$2,521,108.28
JF Wilkerson Contracting Co, Inc.	\$2,540,553.00
TA Loving Company	\$2,570,245.00
DeVere Construction Company, Inc	\$2,754,847.00
DH Griffin Infrastructure LLC	\$2,866,885.00
Dellinger, Inc	\$3,123,010.00
Metra Industries	\$3,258,751.20

The Department and its consultant performed a due diligence investigation on the three lowest bidders to determine the most responsible and responsive bidder. Based on this investigation, the Department recommends Award to Sullivan Eastern, Inc.

Alternatives

Alternative 1 would be to reject all bids and attempt to complete the project with City staff. The magnitude and scope of the project is in excess of staff’s current capabilities, and the warranty and liability protections provided by the Contract would not be in place should City staff be used. It is also unlikely that City staff could complete the project for less than the lowest bid.

Alternative 2 would be to not install the second phase of the Interconnect system. This would mean eliminating a recommended connection for emergency water with the largest water utility in the area. Also, because we would be eliminating a component of an interconnection system, we could potentially require more from other components than was originally designed.

Financial Impacts

Funds for this project are available in the Capital Improvements Program, Water Distribution System Rehabilitation fund, 4100P760-731000-POBOE.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by Sullivan Eastern, Inc., Durham, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MSDBE 8% and WSDBE 3%. It was determined that Sullivan Eastern, Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

Sullivan Eastern, Inc.. will subcontract to the following certified firm:

Firm	ID	City/State	Amount	% of Contract
Calamar, Inc.	WSDBE	Durham, NC	\$75,000	3%

The MSDBE goal was not met but Sullivan Eastern, Inc. demonstrated a good faith effort in trying to obtain it. The WSDBE goal was met.

WORKFORCE STATISTICS

The workforce statistics for Sullivan Eastern, Inc. are as follows:

Total Workforce	62	
Total Females	3	5%
Total Males	59	95%
Black Males	8	13%
White Males	21	34%
Other Males	30	48%
Black Females	0	0%
White Females	3	5%
Other Females	0	0%