



Date: February 4, 2013
To: Thomas J. Bonfield, City Manager
Through: W. Bowman Ferguson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management

Subject: Southern Reinforcing Main Phase IIB Project

Executive Summary

On January 15, 2013, the Department received bids for the Southern Reinforcing Main Phase IIB project. The project consists of installing approximately 5,500 linear feet of 30" diameter water transmission main, beginning at the intersection of Glover Road and Angier Avenue and ending at the new Angier Avenue Elevated Storage Tank (Angier EST) at the intersection of Angier Avenue and Miami Boulevard. This project is the second phase of the installation of a 30" diameter line that connects the existing Ellis EST to the new Angier EST. The installation of this main is critical to providing water to the new Angier EST so the tank can operate properly. 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 \$2,659,763.64. 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 Southern Reinforcing Main Phase IIB Project for an amount of \$2,659,763.64; and
2. Establish a contingency fund for the contract in the amount of \$265,236.36; and
3. Authorize the City Manager to negotiate change orders for the contract provided that the cost of all change orders does not exceed \$265,236.36 and the total project cost does not exceed \$2,925,000.00.

Background

The City of Durham Department of Water Management owns and operates several elevated storage tanks throughout the City's service area. Elevated storage tanks are critical to providing reliable water service to the City of Durham's customers by maintaining an even distribution of pressure across the City's service area, providing storage of water for use in fighting fires and allowing for the pressurization of the water distribution system during off-peak hours. To properly function, elevated storage tanks typically require a dedicated large diameter water transmission main be directly connected to the tank. This transmission main allows the tank to be filled quickly and permits a more direct connection to the distribution system.

The proposed Southern Reinforcing Main Phase II project will establish a transmission main between two of the City's elevated storage tanks. The proposed transmission main will connect the Ellis Road EST to the new Angier Avenue EST currently under construction. For ease of construction, the transmission main project has been separated into two phases, Phase IIA and Phase IIB. The

construction contract for the Phase IIA project has already been awarded to Sullivan Eastern, Inc. and is currently under construction. The proposed route of the Phase IIB transmission main will start at the intersection of Angier Avenue and Glover Road and cross the railroad tracks that parallel Angier Avenue by a bore and jack. The transmission main will then parallel the Angier Avenue Right of Way (ROW) on the north side of Angier Avenue until Angier Avenue intersects Miami Boulevard. The transmission main will then cross Miami Boulevard by a bore and jack. The route of the proposed water line is shown in the attached map.

Issues and Analysis

Below is a summary of the eight bids received. The Department and its consultant analyzed the bid information submitted and all but one bidder were deemed ‘responsive’.

Sullivan Eastern, Inc	\$2,659,763.64
Garney Companies, Inc.	\$2,712,913.00
Moffat Pipe, Inc	\$3,131,779.01
Centurion Construction Company	\$3,174,309.80
DH Griffin	\$3,283,643.64
Dellinger, Inc	\$3,453,097.64
Pipeline Utilities, Inc	\$3,652,000.00
DeVere Construction Co	Bid Rejected*

*The bid form submitted by DeVere Construction Co was incomplete and could not be properly tallied.

The Department of Water Management, the Risk Management Division of the Finance Department and Department of Water Management’s 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

The only alternative identified would be to not award the contract and not install the second phase of the reinforcing main. This would result in insufficient water supply to the new Angier EST, and the new Angier EST being unable to function properly. The new Angier EST is being constructed to ensure service pressure throughout southeast Durham and RTP as well as future growth in the area.

Financial Impacts

Funds for this project are available in the Capital Improvements Program, Southern Reinforcing Main Phase II, in the following accounts:

4100P762 731000 P071C	\$2,659,763.64
4100P762 731900 P071C	\$ 265,236.36

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 2% and WSDBE 1%.

It was determined that Sullivan Eastern, Inc.. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

M/WBE REQUIREMENTS

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

Firm	ID	City/State	Amount	% of Contract
Bailey Contracting*	DBE,MBE	Cary NC	\$ 60,000	2%
Calamar, Inc.	WSDBE	Durham, NC	\$25,000	.9%
Stay Alert Safety Services, Inc.	WSDBE	Kernersville, NC	\$5,000	.2%

The MSDBE and WSDBE goals were both met.

*Bailey Contracting 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 Sullivan Eastern, Inc. are as follows:

Total Workforce	79	
Total Females	4	5%
Total Males	75	95%
Black Males	14	18%
White Males	22	28%
Other Males	39	49%
Black Females	0	0%
White Females	4	5%
Other Females	0	0%

Attachments: Attachment A - Map