



Date: September 6, 2016

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Donald F. Greeley, Director, Water Management

Subject: 2016 Unscheduled Pipeline Repairs Contracts
Award of Construction Contracts to JF Wilkerson Contracting Company, Inc. and Carolina Civilworks, Inc.

Executive Summary:

The Department of Water Management received bids on August 25, 2016 for the 2016 Unscheduled Pipeline Repairs Contract. This project involves unscheduled or emergency repair and replacement of potable waterlines, sanitary sewer mains and manholes throughout the City service area. Work performed during this project will be on an as-needed basis in response to pipeline breaks or leaks that cannot be repaired by City crews. Three bids were received and deemed responsive, and award is proposed to the lowest two bids received. The Department recommends award to both J.F. Wilkerson Contracting Company, Inc., in the amount of \$388,250.00 and Carolina Civilworks, Inc., in the amount of \$474,785.07.

Recommendations:

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract with J.F. Wilkerson Contracting Company, Inc., in an amount not to exceed \$388,250.00 for the 2016 Unscheduled Pipeline Repairs Contract and
2. Establish a contingency fund for the contract with J.F. Wilkerson Contracting Company, Inc., in the amount not to exceed \$36,750.00; and
3. Authorize the City Manager to negotiate change orders for the contract with J.F. Wilkerson Contracting Company, Inc., provided that the cost of all change orders does not exceed \$36,750.00, and the total contract cost of \$425,000.00; and
4. Authorize the City Manager to execute a contract with Carolina Civilworks, Inc., in an amount not to exceed \$474,785.07 for the 2016 Unscheduled Pipeline Repairs Contract; and
5. Establish a contingency fund for the contract with Centurion Construction Co., Inc., in the amount not to exceed \$45,214.93; and
6. Authorize the City Manager to negotiate change orders for the contract with Centurion Construction Co., Inc., provided that the cost of all change orders does not exceed \$45,214.93, and the total contract cost of \$520,000.00.

Background:

There are over 2,400 miles of collection and distribution infrastructure in the City of Durham. The City's collection and distribution permits require the City to repair any known defects in our system.

In certain situations, such as repairs to large or difficult to access pipelines, pipeline repairs require equipment or staff that the Department of Water Management's maintenance divisions cannot

provide. In other situations sufficient time is not available to formally solicit quotes for the repair work. In these situations, repair contracts that allow for more immediate responses by outside contractors are necessary. The proposed contracts will establish on-call contracts structured to enable an expedited response to maintenance issues.

The contract is structured around either a delayed or immediate response to a repair request by the Department of Water Management. The delayed response line item is used when sufficient time exists to evaluate the proposed repair in detail and agree on the scope before work begins. An immediate response is only used when the required repair is urgent and must be addressed before a scope of work can be established.

This is the second unscheduled pipeline repair contract proposed by DWM. The previous contracts were used a combined ten (10) times in the last two years. Among the projects the contracts were utilized include:

- Sedwick Road sanitary sewer replacement
- West Chapel Hill Street waterline replacement
- Ninth Street waterline replacement

The award of two contracts is proposed to ensure that at least one contractor is available to respond swiftly to an urgent repair.

Issues and Analysis:

Below is a summary of the bids received on August 25, 2016. All bids were analyzed and deemed responsive.

Contractor	Bid Amount	Contract Amount
J.F. Wilkerson Contracting Company, Inc	\$388,000.00	\$388,250.00*
Carolina Civilworks, Inc.	\$474,785.07	\$474,785.07
Moffat Pipe, Inc.	\$486,650.00	-----

*Minor math correction made to bid calculation

DWM proposes the use of two contractors for this contract to ensure contractor availability for potential emergency repairs. In evaluating the bids, it was noticed the second-low bid is roughly \$87,000 higher than the lowest bid. In wanting to make sure the second-low bid was still fair and competitive, DWM evaluated the proposal’s unit costs for each pay item. In the case of the second-low bid, approximately \$42,000 of the \$87,000 difference is attributed to two pay items; Temporary Sheeting and Sheeting Left in Place. The pay item unit costs were compared to other bidders’ unit costs for both the 2016 bid and the previously-bid contract. Except in comparing with the low-bidder’s unit costs, the second-low bidder’s costs are in line with others’; so the second-low bid is considered fair and competitive.

The Department of Water Management recommends awarding an Unscheduled Pipeline Repair Contract to both J.F. Wilkerson Contracting Company, Inc. and Carolina Civilworks, Inc.

Alternatives:

Alternative #1 - Do not move forward with the unscheduled repair contracts. This alternative will leave the City no reliable alternative to address large or difficult pipeline repairs; and may result in slower response times and extended repair times.

Financial Impacts:

Funds for this project were approved in the Capital Improvements Program Sewer Collection System Rehabilitation and Water Distribution System Rehabilitation.

There are currently funds available for this project in:

4100P002-731004-POBZE, \$194,125.00
4100P002-731900-POBZE, \$18,375.00
4100P002-731004-P28AS, \$194,125.00
4100P002-731900-P28AS, \$18,375.00

4100P002-731004-POBZF, \$237,392.54
4100P002-731900-POBZF, \$22,607.46
4100P002-731004-P28AT, \$237,392.53
4100P002-731900-P28AT, \$22,607.47

SDBE SUMMARY:

The Equal Opportunity/Equity Assurance Department reviewed the bid submitted by J.F. Wilkerson Contracting Co., Inc. of Morrisville, North Carolina to determine compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. It was determined that J.F. Wilkerson Contracting Co. Inc. was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

SDBE REQUIREMENTS

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by J.F. Wilkerson Construction Co., Inc. of Morrisville, NC and have determined that they are in compliance with the Equal Business Opportunity Program Ordinance.

UBE REQUIREMENTS

No M/UBE or W/UBE goals were set.

WORKFORCE STATISTICS

Workforce statistics for J.F. Wilkerson Construction Co., Inc. are as follows:

Total Workforce	51	
Total Females	2	(4%)
Total Males	49	(96%)
Black Males	9	(18%)
White Males	14	(27%)
Other Males	26	(51%)
Black Females	0	(0%)
White Females	2	(4%)
Other Females	0	(0%)

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by Carolina Civilworks., Inc. of Raleigh, NC and have determined that they are in compliance with the Equal Business Opportunity Program Ordinance.

UBE REQUIREMENTS

No M/UBE or W/UBE goals were set.

WORKFORCE STATISTICS

Workforce statistics for Carolina Civilworks, Inc. are as follows:

Total Workforce	23	
Total Females	2	(9%)
Total Males	21	(91%)
Black Males	1	(9%)
White Males	16	(70%)
Other Males	4	(17%)
Black Females	0	(0%)
White Females	2	(9%)
Other Females	0	(0%)