



Date: April 4, 2017

To: Thomas J. Bonfield, City Manager

Through: W. Bowman Ferguson, Deputy City Manager

From: Donald F. Greeley, Director, Water Management

Subject: Central Park Waterline Replacement Construction Contract – J.F. Wilkerson Contracting Company, Inc.

Executive Summary

The Department of Water Management (DWM) received bids on March 16, 2017 for the Central Park Waterline Replacement Construction Contract. The proposed contract consists of replacing approximately 16,700 linear feet (LF) of existing waterlines and 4,500 LF of gravity sewer lines inside and adjacent to Durham Central Park with new waterlines, sewer lines and the relocation of a storm culvert. The bid received from JF Wilkerson Contracting Company, Inc., is the lowest responsive and responsible bid.

DWM is recommending award of construction to JF Wilkerson Contracting Company, Inc. DWM also recommends a larger than 10% contingency due to the urban environment of this project and the potential issues it creates.

Recommendation

The Department of Water Management recommends that the City Council:

1. Authorize the City Manager to execute a contract with JF Wilkerson Contracting Company, Inc in the amount of \$9,608,888.00 for the Central Park Waterline Replacement Construction Contract and
2. Establish a contingency fund for change orders for the contract in the amount of \$991,112.00; and
3. Authorize the City Manager to negotiate change orders for the contract provided that the total project cost does not exceed \$10,600,000.00.

Background

The Department of Water Management (DWM) is responsible for the maintenance of existing water distribution infrastructure within the Central Park area of Durham. A significant portion of this infrastructure is nearing the end of its service life. The portion of downtown addressed by this project is the area north of Morgan Street, south of Corporation Street, West of Mangum Street and east of Liggett Street (see Attachment A – Waterline Replacement Area).

The proposed project will replace the existing water and sewer lines with new infrastructure sized to meet the most current fire flow requirements and buildout projections of wastewater flows. The new water and sewer lines will provide more reliable service to existing customers, decrease service interruptions associated with maintenance, increase available fire flow, provide adequate sewer service for anticipated growth in the area and

maintain water quality throughout the system. The new lines are also sized to ensure the entire Central Park area meets the highest current fire flow.

The relocation of an existing stormwater culvert in the project area was included in the bid as an additional alternate. This culvert relocation was originally proposed by a private developer to enable the re-development of properties at 539 Foster Street, and is adjacent to the installation of a new sewer line included in the Central Park project. To minimize disruptions to Central Park during construction, DWM proposes to perform both the sewer and stormwater culvert relocations concurrently with the same contractor. Private funds paid out of an escrow account funded by the developer will cover the cost of the stormwater culvert relocation.

The DWM, its consultant and the EO/EA Departments performed a due diligence investigation of the lowest bid and determine that JF Wilkerson is the lowest responsive bidder. The bids include the additional alternate bid for the storm culvert. Award of the additional alternate bid is recommended and included in the total bid award.

Issues and Analysis

The Department of Water Management formally advertised this project for bid on January 27, 2017. At the initial bid opening date, only one bid was received and the project was re-advertised. At the second bid opening, two bids were received and opened:

JF Wilkerson Contracting Company, Inc.	\$ 9,608,888.00
Moffat Pipe, Inc.	\$11,161,266.00

Alternatives

Alternative #1 - Do not move forward with the water and sewer line replacement project. This alternative will likely result in increased waterline leaks and breaks as well as deteriorating water quality and fire flow. Adequate sewer capacity will not be available for anticipated development in the area without additional upgrades to the existing sewer lines.

Financial Impact

The immediate cost to the City for the contract with J. F. Wilkerson Contracting Company, Inc. is \$10,600,000.00, including contingency. The funds are currently available in the following accounts:

4100P002-731000-POBZN:	\$7,441,488.00
4100P002-731000-P28BE:	\$2,167,400.00
4100P002-731900-POBZN:	\$774,372.00
4100P002-731900-P28BE:	\$216,740.00

A contingency fund in excess of 10% is requested to include contingency funded by the private party for the culvert relocation. The additional alternate bid for the culvert relocation is \$120,000.00, and an additional \$24,000.00 of contingency is proposed to for this portion of the project. A small amount of additional contingency is requested to cover potential cost overruns associated with the increased likelihood of unforeseen conditions in the project area.

SDBE Summary

The Equal Opportunity/Equity Assurance Department reviewed the proposal submitted by JF Wilkerson Contracting Company, Inc., of Morrisville, NC and have determined that they are in compliance with the Equal Business Opportunity Program Ordinance. The goals for this project are MUBE 11% and WUBE 7%. It was determined that JF Wilkerson Contracting Company, Inc.

was in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting.

UBE REQUIREMENTS

JF Wilkerson Contracting Company Inc. will subcontract to the following certified firms:

Firm	ID	City/State	Amount	% of Contract
Zebra Environmental & Industrial Services, Inc.	WUBE	High Point, NC	\$22,500.00	.20%
Cooper and Associates	WUBE	Swannanoa, NC	\$50,250.00	.50%
Carolina Management Team, LLC	WUBE	Asheville, NC	\$99,968.00	1.0%
Lacayo Concrete	MUBE	Rougemont, NC	\$164,320.00	1.7%

The MUBE goal was not met but JF Wilkerson Contracting Company Inc. demonstrated a good faith effort in trying to obtain it. They submitted 1.7% MUBE participation and 1.7% WUBE participation.

WORKFORCE STATISTICS

Workforce statistics for JF Wilkerson Contracting Company Inc. are as follows:

Total Workforce	47	
Total Females	2	(4%)
Total Males	45	(96%)
Black Males	6	(13%)
White Males	16	(34%)
Other Males	23	(49%)
Black Females	0	(0%)
White Females	2	(%)
Other Females	0	(0%)