



Date: November 21, 2022

To: Wanda S. Page, City Manager
Through: Bertha T. Johnson, Deputy City Manager
From: Donald F. Greeley, Director, Water Management
Subject: Award of a Construction Contract to RES Environmental Operating Company, LLC for the Homeland and Aiken Stream Stabilization Project

Executive Summary

The Department of Water Management (DWM) scheduled two bid opening for the Homeland and Aiken Stream Stabilization construction project. The first opening was for August 4, 2022; however, no bids were received. The project was re-advertised and one bid was received on September 8, 2022. RES Environmental Operating Company, LLC (RES) was deemed the lowest responsive and responsible bidder.

This Homeland and Aiken Stream Stabilization project will restore degraded stream channels that are encroaching nearby sanitary sewer mains and manholes. Further degradation can potentially undermine the infrastructure to a point where they fall into the streams.

Work at the Homeland Avenue site involves approximately 1,500 linear feet of stream restoration and replacement of 430 linear feet of 8-inch to 12-inch sewer main. Work at the Aiken Avenue site involves approximately 1,700 linear feet of stream restoration and relocation of 930 linear feet of 12-inch sewer main. Maps of the project areas are provided in Attachment 1 – Project Location Maps.

DWM recommends construction award to RES, as well as, establishing a 10% contingency fund.

Motion

To authorize the City Manager to execute a contract with RES Environmental Operating Company, LLC, in an amount not to exceed \$3,790,345.09 for the Homeland and Aiken Stream Stabilization project;

To establish a contingency fund for the contract in the amount not to exceed \$379,035; and

To authorize the City Manager to negotiate and execute change orders for the contract provided that the total contract cost does not exceed \$4,169,380.09.

Background

The City owns approximately 1,200 miles of sanitary sewer mains, which the DWM operates and maintains as required by City’s wastewater collection permit issued by the North Carolina Department of Environmental Quality (NCDEQ). Access to sewer easements by City vehicles and equipment is required to allow for proper operation and maintenance.

Two areas within the collection system have been identified where adjacent streams are encroaching on the sanitary sewer easements and infrastructure. The resulting erosion has exposed buried pipes and manhole structures, putting them at risk of failure, as well as preventing proper access. This project will

serve to separate the sewer mains and adjacent streams, restore access through the sewer easements, and protect the sewer mains and manholes from erosion damage.

Work at the Homeland Avenue site will restore approximately 1,500 linear feet (LF) of an unnamed tributary to Third Fork Creek and replace 430 LF of 8-inch to 12-inch sewer mains. Work at the Aiken Avenue site will restore approximately 1,700 LF Goose Creek and relocate 930 LF of 12-inch sewer mains. Maps of the project areas are provided in Attachment 1 – Project Location Maps.

Issues and Analysis

The DWM originally advertised the project for bid on June 21, 2022; however, no bids were received on August 4, 2022. The project was re-advertised on August 18, 2022, and one bid was received and opened on September 8, 2022. The bid result was:

Contractor	Price
RES Environmental Operating Company, LLC	\$3,790,345.09

The DWM, the design consultant (McAdams), Risk Management, and Finance - Underutilized Business Compliance (formerly Equity & Inclusion) performed a due diligence investigation and determined that RES is the lowest responsive and responsible bidder. The DWM recommends the contract be awarded to RES.

Project staff contacted multiple contractors to determine the reason for the low number of bids. Several contractors had reviewed the plans but chose not to submit a bid. The contractors provided several explanations for not bidding the project, including required coordination/distribution of work between stream restoration contractors and utility contractors, certain project aspects being outside their typical scope, and staff availability. Although only one bid was submitted, the price is consistent with prices for similar work on other recent projects.

Alternatives

Do not move forward with the project. This alternative would leave the sanitary sewers inaccessible for maintenance, vulnerable to failure due to erosion, and increase the likelihood of a sewage spill to the adjacent stream.

Financial Impact

Funding for this project is available in the following accounts:

Fund	Organization Code	Object Code	Project Code	Amount
Sewer	4100P002	731000	P28WW	\$3,790,345.09
Contingency	4100P002	731900	P28WW	\$379,035.00
TOTAL PROJECT AMOUNT				\$4,169,380.09

Equal Business Opportunity Summary

The Finance Department reviewed the bid submitted by HGS, LLC dba RES Environmental Operating Company, LLC and have determined after a Good Faith Effort Review; that they are in compliance with the Equal Business Opportunity Program Ordinance. The goals for this project were MUBE 11%, and WUBE 7%.

UBE Requirements:

Firm	ID	City/State	Amount	% Of Contract
Pickard Hauling Inc.	MUBE	Reidsville, NC	\$78,000	2.06%
Turner Land Surveying, PLLC	WUBE	Swannanoa, NC	\$25,000	0.66%

Contractor Workforce Diversity & Hiring Practices

According to the contractor’s responses to the “Contractor Workforce Diversity Questionnaire” (see Attachment 5), the contractor is a large employer (over 100 employees) consisting of a mix of professional/skilled and unskilled workers. The contractor believes it has a diverse workforce because they have a Diversity, Equity, and Inclusion (DEI) committee and they provide self-paced DEI training with access to resources and information concerning DEI topics. The contractor focuses on recruiting veterans, women, and minorities. They also conduct an annual DEI survey and create action plans to improve on identified areas. The contractor listed many examples of efforts it makes to have a more diverse workforce.

Employee Diversity Breakdown for Primary Location

Employment Category	Total Employees	Total Males	Total Females	Males					Females				
				White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	7	4	3	4	0	0	0	0	3	0	0	0	0
Professional	61	49	12	42	1	4	0	2	12	0	0	0	0
Labor	22	21	1	12	1	8	0	0	1	0	0	0	0
Clerical	7	4	3	4	0	0	0	0	2	1	0	0	0
Totals	97	78	19	62	2	12	0	2	18	1	0	0	0

Employee Diversity Breakdown for the Consolidated Company

Employment Category	Total Employees	Total Males	Total Females	Males					Females				
				White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native
Project Manager	132	97	35	94	1	1	1	0	34	0	1	0	0
Professional	609	457	152	376	8	67	5	1	134	5	10	3	0
Labor	194	158	36	111	6	41	0	0	34	2	0	0	0
Clerical	106	67	39	61	0	4	0	2	20	9	7	3	0
Totals	1041	779	262	642	15	113	6	3	222	16	18	6	0

Attachments

Attachment 1 – Project Location Maps

Attachment 2 – Contract

- Attachment 3 – Notice of Intent to Award Contract
- Attachment 4 – Recommendation of Award
- Attachment 5 – Contractor Workforce Diversity Questionnaire
- Attachment 6 – EBOP Compliance Report
- Attachment 7 – Bid Form