



Date: February 6, 2023

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 Pipeline Contractors, Inc. for the Old Chapel Hill Road at New Hope Creek Water Line Replacement Project

Executive Summary

The Department of Water Management (DWM) scheduled two bid openings for the Old Chapel Hill Road at New Hope Creek Water Line Replacement project. The first opening was scheduled for September 20, 2022; however, only one bid was received. The project was re-advertised, and one bid was received on October 26, 2022. Pipeline Utilities, Inc. (which name has changed to "Pipeline Contractors, Inc.") was deemed the lowest responsive and responsible bidder.

This project will replace a water main segment crossing New Hope Creek that was washed away during Hurricane Florence in September of 2018. Work involves installation of approximately 850 linear feet of 12-inch and 16-inch water main, including horizontal direction drilling underneath New Hope Creek. A map of the project area is provided in Attachment 1 – Project Location Map.

DWM recommends construction award to Pipeline Contractors, Inc., as well as, establishing a 10% contingency fund.

Motion

To authorize the City Manager to execute a contract with Pipeline Contractors, Inc., in an amount not to exceed \$1,129,313 for the Old Chapel Hill Road at New Hope Creek Water Line Replacement project;

To establish a contingency fund for the contract in the amount not to exceed \$113,687; and

To authorize the City Manager to negotiate and execute change orders for the contract provided that the total contract cost does not exceed \$1,243,000.

Background

An aerial creek crossing of the water main along Old Chapel Hill Road at New Hope Creek was washed away during Hurricane Florence in September of 2018. This project involves installation of approximately 850 linear feet of 12-inch and 16-inch waterline to re-connect the remaining water mains. In order to ensure the new waterline is not similarly impacted by a future flood event, the replacement waterline will be installed under New Hope Creek. The creek crossing will be installed via horizontal directional drilling to minimize the excavation required within the floodplain. A map of the project area is provided in Attachment 1 – Project Location Map.

Issues and Analysis

The DWM originally advertised the project for bid on August 19, 2022; however, only one bid was received on September 20, 2022. The project was re-advertised on September 26, 2022, and one bid was received and opened on October 26, 2022. The bid result was:

Contractor	Price
Pipeline Contractors, Inc.	\$1,129,313

The DWM, the design consultant (Highfill Infrastructure Engineering), Risk Management, and Finance - Underutilized Business Compliance (formerly Equity & Inclusion) performed a due diligence investigation and determined that Pipeline Contractors, Inc. is the lowest responsive and responsible bidder. Although only one bid was submitted, the price is consistent with prices for similar work on other recent projects and is within the construction estimate established by the engineer. The DWM recommends the contract be awarded to Pipeline Contractors, Inc.

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. Two contractors stated that they did not currently have resources to perform the proposed waterline replacement. Another reason for the low bidder response is that over 60% of the project work is associated with the horizontal direction drilling work, which is a niche service offering typically performed by regional/national subcontractors. This would leave less than 40% of the work for the prime contractor, some of which would need to be allocated to UBE subcontractors. Given the current local demand for infrastructure work, this project may not have been seen as lucrative enough to entice multiple bidders.

Alternatives

City Council could choose not to approve the contract for the installation of a new water main along Old Chapel Hill Road. This alternative would likely result in deteriorating water quality and available fire flow in the vicinity.

Financial Impact

Funding for this project is available in the following accounts:

Fund	Organization Code	Object Code	Project Code	Amount
Water	4100P002	731000	POCR1	\$1,129,313
Contingency	4100P002	731900	POCR1	\$113,687
TOTAL PROJECT AMOUNT				\$1,243,000

Equal Business Opportunity Summary

The Underutilized Business Compliance division reviewed the proposal submitted by Pipeline Contractors, Inc. of Raleigh, NC to determine if they are in compliance with the Ordinance to Promote Equal Business Opportunities in City Contracting. The goals for this project are MUBE 11% and WUBE 7%. Pipeline Contractors, Inc. did not meet the assigned goals. After review, it was determined they demonstrated Good Faith Efforts and is in compliance with the Ordinance.

UBE Requirements:

Firm	ID	City/State	Amount	% Of Contract
J.V. Blackwell & Sons Trucking	WUBE	Burlington, NC	\$9,000	0.80%
Certified Concrete Construction, Inc.	MUBE	Raleigh, NC	\$3,500	0.31%

Contractor Workforce Diversity & Hiring Practices

According to the contractor’s responses to the “Contractor Workforce Diversity Questionnaire”, the contractor is a medium employer (50 to 100 employees) consisting of a mix of professional/skilled and unskilled workers. The contractor believes it has a diverse workforce because they are currently 44% minority employees. The contractor listed a few 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	7	0	7	0	0	0	0	0	0	0	0	0
Professional	6	6	0	6	0	0	0	0	0	0	0	0	0
Labor	46	46	0	19	16	11	0	0	0	0	0	0	0
Clerical	3	0	3	0	0	0	0	0	3	0	0	0	0
Totals	62	59	3	32	16	11	0	0	3	0	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	7	7	0	7	0	0	0	0	0	0	0	0	0
Professional	6	6	0	6	0	0	0	0	0	0	0	0	0
Labor	46	46	0	19	16	11	0	0	0	0	0	0	0
Clerical	3	0	3	0	0	0	0	0	3	0	0	0	0
Totals	62	59	3	32	16	11	0	0	3	0	0	0	0

Attachments

- Attachment 1 – Project Location Map
- Attachment 2 – Contract
- Attachment 3 – Notice of Intent to Award Contract
- Attachment 4 – Recommendation of Award
- Attachment 5 – Bid Form