

CONTRACT

210222

Ordinance Fact Sheet

Construction/Misc. Form

Brief Title	Approval Deadline	Reason
Authorizing a \$5,307,000.00 Construction Contract with Pyramid		To authorize the execution of a construction contract and expenditures.
Excavation and Construction Inc., and recognizing this ordinance		
as having an accelerated effective date.		

Details

Reason for Contract

In 2010, the City of Kansas City, Missouri entered into a Consent Decree with the United States Environmental Protection Agency (EPA) to reduce the volume and frequency of overflows from the City's sewer system. The City's Smart Sewer Program is currently in year 11 of a 25-year implementation period.

This project will construct sewer separation for approximately 35 acres of the City's combined sewer system located upstream of Outfall W006 within the Turkey Creek Basin.

Discussion

Project Justification

The purpose of this project is to separate approximately 35 acres of the City's combined sewer system and to eliminate typical year combined sewer overflows at Outfall W006, located near the lake in Penn Valley Park within the Turkey Creek Basin.

Design Professional Services Contract Summary

City Council passed Ordinance No. 180718 on September 20, 2018 authorizing a \$550,000.00 Design Professional Services Contract with Tetra Tech, Inc. for conceptual design services to assess sanitary sewers, identify and quantify structural deficiencies, develop sewer separation concepts, and prepare 10% complete conceptual design documents. The Ordinance included a maximum authorization of \$1,050,000.00. On January 7, 2020 Amendment No. 1 was approved in the amount of \$500,000.00 to complete preliminary and final design services and prepare construction contract documents. On November 5, 2020 Amendment No. 2 was approved in the amount of \$710,000.00 to complete construction phase services. Total Design Professional Services contract amount total is

Original Contract:	\$550,000.00
Amendment No. 1:	\$500,000.00
Amendment No. 2:	\$710,000.00
Total	\$1,760,000.00

Roles and Responsibilities

Sponsor	Water Services Department
Department or Programs Affected	Smart Sewer Program
Recommended Awardee	Pyramid Excavation and Construction, Inc.
Contract Compliance Certification Obtained?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes
Opponents	Groups or Individuals None known Reason for Opposition
Responsibilities	Design Engineering: Tetra Tech, Inc. Inspections: City staff / Tetra Tech, Inc. Construction or Project Management: City staff / Tetra Tech, Inc. Service Monitoring: City Staff

Policy/Program Impact

Policy or Program Emphasis Change	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
Operational Impact Assessment	

(Continued on reverse side)

Details

Construction Contract Description

The scope of work to be provided under the Sewer Separation: 31st and Broadway project construction contract includes construction of new 15-inch to 36-inch diameter storm sewers on Main Street, 31st Terrace, Wyandotte Street, Central Street and Penn Valley Parkway, and converting existing sewers to sanitary "Project". New sanitary sewers are to be constructed in Main Street to provide connectivity and remove existing pipes from beneath the future Streetcar tracks. The project also includes rehabilitation or replacement of 8,280 linear feet of existing sewer mains and 513 vertical feet of existing manhole rehabilitation and replacement.

Blue Nile Contracting, Inc. (Blue Nile) was originally contracted to complete the work, however, on February 9, 2021 it sent a letter advising the City that the Company is financially unable to perform the Project or comply with its contractual obligations. North American Specialty Insurance Company ("Surety") was the Surety Company on this Project and resolved the default by tendering Pyramid Excavation and Construction, Inc. ("Pyramid"), as the Completing Contractor. The original contract amount with Blue Nile was for \$4,628,973.00, whereas Pyramid bid price came at \$5,307,000.00. Through the execution of a Tender Agreement between the City and Surety, the latter agreed to pay the difference of \$678,027.00 to the City.

This ordinance will estimate revenue and appropriate the difference of \$678,027.00. It will also request the City Council to approve a maximum expenditure of \$5,770,027.00 (Contract Amount: \$5,307,000.00 + Allowance: \$463,027.00)/ The remainder of the maximum contract amount has been appropriated under Ordinance 200906.

Construction Contract Solicitation

The Sewer Separation: 31st and Broadway project construction contract was advertised in accordance with the City's requirements. Public bids were opened on September 15, 2020 with five bidders responding.

Grant/Loan Funding

N/A

Human Relations Approval

The goals for Design Professional Services Contract No. 1403 were established by the Human Relations Department at 15% MBE and 10% WBE and remain unchanged..

The goals for the construction contract were established by the Fairness in Construction Board at 10% MBE and 5% WBE. Construction Subcontracting information was submitted to the Human Relations Department for review and determination on March 9, 2021 and is pending approval.

Fairness in Construction Board

There is no appeal on this contract pending before the Fairness in Construction Board.

Youth Employment Program

N/A

1% for Art

N/A

Is it good for the children? Yes.

How will this contribute to a sustainable Kansas City?

This project will contribute to a sustainable Kansas City by improving the performance, capacity, and reliability of the City's stormwater and sanitary sewer systems, and improving water quality by eliminating combined sewer overflows during the typical year at Outfall W006.

Estimated Duration of Contract: 446 calendar days

Fact Sheet Prepared by:

Date:

Wille Roman 3/11/2021
Utility Manager

Reviewed by:

Date:

Brian Hess 3/11/2021
Smart Sewer Division Head

Reference Numbers:

Contract No. 1554 (Construction)
Project No. 81000803
Ordinance No. 180718 and 200906

Finances

City's Estimate of Cost	\$	7,430,000.00
Bid or Proposal Data	Lowest and Best Contract Cost Submitted	\$ 5,307,000.00
Bid Date:	Recommended Awardee by Surety and Accepted by City: Pyramid Excavation & Construction, Inc.	
Other Bidders or Contractors Considered		
		Contract Costs Submitted
Leath & Sons	\$	5,406,405.00
Kissick Construction	\$	5,845,990.00
Site Rite Construction Co.	\$	6,268,277.79
Blue Nile Contractors	\$	Defaulted
Fund Sources and Appropriation Account Codes		
For These Contracts	21-8110-807769-611060: Overflow Control Program Project No. 81000803	
Source of Future Operating Funds		
Proposed Construction Contract	\$	5,307,000.00
Construction Contingency	\$	463,027.00
Proposed Amendment 2	\$	-
Engineering & Administration	\$	
TOTAL	\$	5,770,027.00

Council Committee Actions

Do Pass	<input type="checkbox"/>	<input type="checkbox"/>	Hold
Do Pass (as amended)	<input type="checkbox"/>	<input type="checkbox"/>	W/o Recommendation
Committee Sub.	<input type="checkbox"/>	<input type="checkbox"/>	Do Not Pass