

CONTRACT

210429

Ordinance Fact Sheet

Construction/Misc. Form

Brief Title	Approval Deadline	Reason
Authorizing a \$3,219,511.42 Construction Contract for the Blue River South Area 4 and 5 Inflow and Infiltration (I/I) Reduction Project - Phase 2 with Havens Construction Company, Inc.; authorizing a maximum expenditure of \$4,490,000.00; and recognizing this ordinance as having an accelerated effective date.		To estimate revenue and appropriate funds; to authorize execution of a construction contract and expenditures; and recognizing this ordinance as having an accelerated effective date.

Details
<p>Reason for Contract</p> <p>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 over a 25 year period. In March 2021 the Consent Decree was modified to include additional interim and revised final performance criteria and to extend its duration to 30 years. The City's Smart Sewer Program is currently in year 11 of a 30-year implementation period.</p> <p>This project will rehabilitate sewers to help restore capacity to the wastewater collection system in the Blue River South Area 4 and 5.</p>

Discussion
<p>Project Justification</p> <p>The purpose of this project is to rehabilitate aging sewer pipes to like-new conditions and to restore capacity to the wastewater collection system, thereby reducing the volume and frequency of sewer overflows. This ordinance provides authorization for construction phase services and for construction of the Blue River South Area 4 and 5 Inflow and Infiltration (I/I) Reduction Project - Phase 2.</p> <p>Project Description/Previous Council Approval</p> <p>The scope of work to be provided under the Blue River South Area 4 and 5 Inflow and Infiltration (I/I) Reduction Project - Phase 2 construction contract includes rehabilitation of approximately 20,000 linear feet of sewer mains, 120 manholes and 330 lateral connections. The project area is bound on the north by W. 85th Street, on the west by State Line Road, on the south by E. 117th Street, and on east by Montgall Avenue, located in Kansas City, Jackson County, Missouri.</p> <p>The City Council approved Ordinance No. 200268 on April 23, 2020 approving a maximum expenditure of \$4,490,000.00 with Blue Nile Contracting, Inc. (Blue Nile) for the Blue River South Area 4 and 5 Inflow and Infiltration (I/I) project. However, on February 9, 2021, a letter was sent to the City advising 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 Havens Construction Company, Inc. ("Havens"), as the Completing Contractor. The original contract amount with Blue Nile was for \$4,077,970.76, whereas a portion of the work was completed and \$1,003,713.00 was paid-to-date. Through the execution of a Tender Agreement between the City and Surety, the latter agreed to pay \$145,253.42 to the City.</p>

Roles and Responsibilities	
Sponsor	Water Services Department
Department or Programs Affected	Smart Sewer Program
Recommended Awardee	Havens Construction Company, 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: George Butler Associates, Inc. & HNTB Corporation Inspections: City Staff / George Butler Associates, Inc. Construction or Project Management: City Staff / George Butler Associates, 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

This ordinance will estimate revenue and appropriate the difference of \$145,253.42. It will also request the City Council to approve a maximum expenditure of \$4,490,000.00 (Contract Amount: \$3,219,511.42 + Contingency: \$266,775.58 + Previous Expenditure: \$1,003,713.00). The Previous Expenditure of the maximum contract amount was appropriated under Ordinance 200268.

Solicitation

The Blue River South Area 4 and 5 Inflow and Infiltration (I/I) Reduction Project - Phase 2 construction contract was advertised in accordance with the City's requirements. Public bids were opened on March 10, 2020 with four bidders responding.

Grant/Loan Funding

N/A

Human Relations Approval

The goals for the construction contract were established by the Fairness in Construction Board at 9% MBE and 6% WBE. Construction Subcontracting information was submitted to the Human Relations Department for review and determination on April 14, 2021, and was approved on May 4, 2021 with 9% MBE and 6% WBE participation. See the attached docket memo.

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

Bid Opening Date: 3/10/2020

Notice of Intent to Contract: TBA

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 sewer system by reducing inflow and infiltration, thereby reducing the volume and frequency of separate sanitary sewer overflows.

Estimated Duration of Contract: 240 calendar days

Fact Sheet Prepared by:

Leona Walton
Contracts Manager

Date:

4/29/2021

Reviewed by:

D. Matt Bond
Deputy Director

Date:

4/29/2021

Reference Numbers:

Contract No. 1410
Project Nos. 81000687/81000688

Finances

City's Estimate of Cost		\$	5,242,013.88
Bid or Proposal Data	Lowest and Best Contract		
	Cost Submitted	\$	3,219,511.42
Bid Date:	Recommended Awardee by Surety and Accepted by City: Havens Construction Company, Inc.		
	3/10/2020		
	Other Bidders or Contractors Considered		Contract Costs Submitted
	Pyramid Excavation and Construction, Inc.	\$	5,821,125.00
	Kissick Construction	\$	4,199,100.00
	Blue Nile Contractors	\$	Defaulted
		\$	
		\$	
Fund Sources and Appropriation Account Codes	22-8110-807769-611060-8100687		
For These Contracts	Overflow Control Program Project Nos. 81000687/ 81000688		
Source of Future Operating Funds			
Proposed Construction Contract		\$	3,219,511.42
Construction Contingency		\$	266,775.58
Previous Expenditure		\$	1,003,713.00
TOTAL		\$	4,490,000.00

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