

City Council Agenda Items
and
Contracts, Leases or Agreements

10/2/2012

City Council Meeting Date
Agenda Items Only

David Jurgens

Utilities

Utilities

Submitted By

Division

Department

Action Required:

Approval of a cost-share and bid waiver in the approximate amount of \$31,712.00, with REO Holdings 1, LLC for the upsizing from a 2" to an 8" proposed water main

\$ 31,712.00
Cost of this request

5400.5600.5808.00
Account Number

02067.1
Project Number

\$ 154,472.00
Category / Project Budget

\$ -
Funds Used to Date

\$ 154,472.00
Remaining Balance

Water and Sewer Cost Sharing
Program Category / Project Name

Water Line Improvements
Program / Project Category Name

Water and Sewer Fund
Fund Name

Budgeted Item

Budget Adjustment Attached

[Signature]
Department Director

14 Sept 12
Date

Previous Ordinance or Resolution # _____

[Signature]
City Attorney

9-14-12
Date

Original Contract Date: _____

Original Contract Number: _____

Paul a. Beck
Finance and Internal Services Director

9-18-2012
Date

Received in City Clerk's Office 09-14-12 P12:28 RCVD
King

[Signature]
Chief of Staff

9-17-12
Date

Received in Mayor's Office
ENTERED 9/17/12

[Signature]
Mayor

9/18/12
Date

Comments:

left on third reading and tabled to the Oct. 16th CC mtg.

To: Fayetteville City Council
Thru: Mayor Lioneld Jordan
Don Marr, Chief of Staff
From: David Jurgens, Utilities Director
Date: September 13, 2012

Subject: Approval of a cost-share and bid waiver in the approximate amount of \$31,712.00, with REO Holdings 1, LLC for the upsizing from a 2" to an 8" proposed water main

RECOMMENDATION

City Administration recommends approval of an ordinance for a cost-share and bid waiver in the approximate amount of \$31,712.00 with REO Holdings 1, LLC for the upsizing from a 2" to an 8" proposed water main.

BACKGROUND

REO Holdings 1, LLC recently submitted a lot split for approval by the City of Fayetteville. As a condition of approval for this proposed split, a water main is required to be extended approximately 1000 feet from Bridgewater Lane to serve each lot. A 2" water main is the size that is necessary to serve the proposed homes on this property. REO Holdings 1, LLC has hired an engineer to prepare plans for the construction of this water main.

DISCUSSION

The proposed cost share will be to upsize the required 2" water main to an 8" water main. This upsizing will further the 8" grid in the area and create the potential for a future loop to the south and east of this property. The Slone Subdivision is located approximately 700 feet to the east and has a system of 8" mains installed. Altus Drive is located approximately 1200 feet to the south and currently has a 2" main. The future 8" loop to these properties will improve the pressure and flow in this area.

The City would benefit from the cost share by utilizing the developer's contractor who will already be onsite performing water line installation. A bid waiver is requested since this cost share is greater than \$20,000.

Developer's Share (2" Water Line)	\$ 33,508.00
City's Share	\$ 25,783.00
Contingency	\$ 5,929.00
Total	\$ 65,220.00

BUDGET IMPACT

Funds for the City portion of work are available in the Water and Sewer Cost Sharing Project.

The final actual cost to the City will be based upon actual bid price for this project.

ORDINANCE NO. _____

AN ORDINANCE WAIVING THE REQUIREMENTS OF FORMAL COMPETITIVE BIDDING AND APPROVING A COST-SHARE AGREEMENT WITH REO HOLDINGS 1, LLC IN THE AMOUNT OF \$31,712.00 FOR THE CONSTRUCTION OF AN EIGHT-INCH WATER MAIN NEAR BRIDGEWATER LANE

WHEREAS, REO Holdings 1, LLC, as a condition of a lot split approval, is required to extend one thousand (1000) feet of two-inch water line from Bridgewater Lane to serve each of the split lots, and

WHEREAS, upsizing the extended water line to an eight-inch water main would be of benefit to the City by furthering the eight-inch grid in the area and creating the potential for a future loop to the south and east of the affected area, and

WHEREAS, entering into a cost-share agreement with REO Holdings 1, LLC for the difference in cost related to upsizing the required water line extension is the most cost-effective way to add capacity to the City's water system in this area,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby determines the above-stated facts constitute an exceptional situation in which competitive bidding is deemed not feasible or practical and therefore waives the requirements of formal competitive bidding and approves a cost-share agreement with REO Holdings 1, LLC in the amount of \$31,712.00 for the construction of approximately one thousand (1000) feet of eight-inch water main near Bridgewater Lane.

PASSED and APPROVED this 2nd day of October, 2012

APPROVED:

ATTEST:

By: _____
LIONELD JORDAN, Mayor

By: _____
SONDRA E. SMITH, City Clerk/Treasurer

CONTRACTUAL AGREEMENT

This Agreement, made and entered into this _____, by and between the City of Fayetteville, Arkansas and REO Holdings 1, LLC, Witnesseth:

WHEREAS, REO Holdings 1, LLC, has hired an engineer for the design and a contractor for the construction of a 2" public water line to serve their property south of Bridgewater Lane; and

WHEREAS, there is an existing 8" water line to the north of this property on Bridgewater Lane and Horse Meadow Drive. REO Holdings 1, LLC will be connecting to this line; and extending a 2" main south 1000 feet to his property; and

WHEREAS, it will benefit the City of Fayetteville to upgrade this 2" water main to an 8" water main to further the 8" grid in this area and to create a potential for a future loop to the south and to the east of this property. The future 8" loop will improve the pressure and flow in this area.

NOW, THEREFORE, the City of Fayetteville and REO Holdings 1, LLC agree as follows:

1. Upon the City Council and/or the Mayor approving the Water Main Cost-Share, the City of Fayetteville agrees to:
 - A. Pay for 100% of the actual documented construction costs for the upsizing to an 8" main to serve this property.
 - B. Pay a maximum-not-to-exceed cost of \$31,712.00 for the afore mentioned water main construction as was provided by REO Holdings 1, LLC's engineer and made a part of this agreement.
 - C. Reconsider the costs if the future and actual construction costs exceed the maximum-not-to-exceed amount that was furnished by REO Holdings 1, LLC. The contractual agreement shall be required to be reevaluated and re-approved by the Mayor and/or City Council as appropriate prior to proceeding with construction.
 - D. Make all efforts to provide payment to REO Holdings 1, LLC within thirty (30) days after receipt of the invoice(s) but cannot guarantee the thirty day schedule.
2. REO Holdings 1, LLC agrees to:
 - A. Provide the necessary and normal project management, inspection, and

testing as necessary for a complete and acceptable water main installation.

- B. Provide a copy of the invoice(s) from the Contractor and a completed lien waiver executed by the Contractor upon acceptance of the water main installation.
 - C. Not proceed with the proposed construction unless/until the proposed contractual agreement is approved by the City Council and/or the Mayor.
3. It is further understood that the contract for construction is between REO Holdings 1, LLC and his Contractor and that the City has no contractual obligation with either the Contractor or the Engineer. The City's only obligation shall be to participate in a contractual agreement with a not-to-exceed amount of \$31,712.00 for the water main upgrade.

IN AGREEMENT WITH ALL THE TERMS AND CONDITIONS ABOVE, WE SIGN BELOW:

CITY OF FAYETTEVILLE

REO Holdings 1, LLC

By: _____
LIONELD JORDAN, Mayor

By: _____

**CLINTON BENNETT
 WATER LINE EXTENSION
 CONSTRUCTION COST ESTIMATE**

Page: 1 9/4/2012

2" PVC WATER LINE

	ITEM	UNIT	QUANTITY	UNIT PRICE	COST
1	MOBILIZATION	LS	1	\$ 2,600.00	\$ 2,600
2	2" 13.5 PVC WATER LINE	EA.	999	\$ 18.00	\$ 17,982
3	WATER METER SET - DOUBLE	EA.	2	\$ 1,200.00	\$ 2,400
4	8X2 SADDLE AND 3/4 CORP STOP/ CONNECT TO EXISTING	EA.	1	\$ 500.00	\$ 500
5	2" GATE VALVE	EA.	1	\$ 1,000.00	\$ 1,000
6	ROAD CROSSING-CUT & REPAIR (4' X 40')	SY	18	\$ 135.00	\$ 2,430
7	1" COPPER WATER SERVICE	LF	20	\$ 25.00	\$ 500
8	2" BLOW-OFF	EA.	1	\$ 1,500.00	\$ 1,500
9	SOD DISTURBED AREAS	SF	14385	\$ 0.25	\$ 3,596
10	TRAFFIC CONTROL	LS	1	\$ 500.00	\$ 500
11	RIP RAP	LS	1	\$ 500.00	\$ 500

SUBTOTAL	\$ 33,508
TOTAL WITH CONTINGENCY OF	10% \$ 36,859

8" PVC WATER LINE

	ITEM	UNIT	QUANTITY	UNIT PRICE	COST
1	MOBILIZATION	LS	1	\$ 2,600.00	\$ 2,600
2	8" C-900 PVC WATER LINE (INC. 20' AT END)	EA.	1019	\$ 35.00	\$ 35,665
3	WATER METER SET - DOUBLE	EA.	2	\$ 1,200.00	\$ 2,400
4	8X8 TAPPING SLEEVE & VALVE / CONNECT TO EXISTING	EA.	1	\$ 3,600.00	\$ 3,600
5	MJ FITTINGS	LB	100	\$ 5.00	\$ 500
6	ROAD CROSSING-CUT & REPAIR (4' X 40')	SY	18	\$ 135.00	\$ 2,430
7	1" COPPER WATER SERVICE	LF	20	\$ 25.00	\$ 500
8	FIRE HYDRANT ASSEMBLY	EA.	1	\$ 4,000.00	\$ 4,000
9	SOD DISTURBED AREAS	SF	14385	\$ 0.25	\$ 3,596
10	TRAFFIC CONTROL	LS	1	\$ 500.00	\$ 500
11	8X6 TEE AND 8" GATE VALVE	EA.	1	\$ 2,500.00	\$ 2,500
12	CAP & PLUG 8" PVC	EA.	1	\$ 500.00	\$ 500
13	RIP RAP	LS	1	\$ 500.00	\$ 500

SUBTOTAL	\$ 59,291
TOTAL WITH CONTINGENCY OF	10% \$ 65,220

NOTE: THIS ESTIMATE DOES NOT INCLUDE ANY ROCK EXCAVATION EXPENSE.
 SURVEYING AND ENGINEERING ARE NOT INCLUDED.
 LOT STAKING AND CONSTRUCTION STAKING ARE NOT INCLUDED.

