



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: K-1415-70**

**File ID:** K-1415-70

**Type:** Contract

**Status:** Consent Item

**Version:** 1

**Reference:** Item 8

**In Control:** City Council

**Department:** Utilities Department

**Cost:** \$1,334,675.00

**File Created:** 02/19/2015

**File Name:** Contract for Phase 1 of the Berry Road Water Line Replacement Project

**Final Action:**

**Title:** CONSIDERATION OF AWARDING OF BID 1415-28, APPROVAL OF CONTRACT K-1415-70 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND CENTRAL CONTRACTING SERVICES, INC., IN THE AMOUNT OF \$1,334,675; PERFORMANCE BOND B-1415-28; STATUTORY BOND B-1415-29; AND MAINTENANCE BOND MB-1415-27 FOR PHASE I OF THE BERRY ROAD WATERLINE REPLACEMENT PROJECT.

**Notes:** ACTION NEEDED: Acting as the Norman Utilities Authority, motion to accept or reject all bids meeting specifications; and, if accepted, award the bid in the amount of \$1,334,675 to Central Contracting Services, Inc., as the lowest and best bidder meeting specifications; approve Contract K-1415-70 and the performance, statutory, and maintenance bonds; authorize execution of the contract and bonds and the Norman Utilities Authority as part of the contract to pay subcontractors for equipment and supplies for Phase 1 of the Berry Road Water Line Project; and direct the filing of the bonds.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 03/10/2015

**Agenda Number:** 8

**Attachments:** Engr Letter of recommendation (Phase 1), List of Bidders, K-1415-70, Perf B-1415-28, Stat B-1415-29, MB-1415-27, PR Central Contracting

**Project Manager:** Jim Speck, Capital Projects Engineer

**Entered by:** jim.speck@normanok.gov

**Effective Date:**

### History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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### Text of Legislative File K-1415-70

Body

**BACKGROUND:** For many years, the Norman Utilities Authority (NUA) has contemplated replacement of the 14-inch cast iron waterline along Berry Road from Robinson to Lindsey. This waterline was installed in the early 1940's when North Base was a military facility; the waterline is in very poor condition resulting in lost water from numerous repairs, damage to the overlying roadway and inconveniences to the traveling public and the surrounding neighborhood. Similarly, the University of Oklahoma (OU) owns a 14-inch cast iron waterline generally along the east side of Berry Road from Robinson to Lindsey and then east along the north side of

Lindsey to Chautauqua. Numerous repairs to the OU waterline have also occurred causing further disruption to the neighborhood.

The Berry Waterline Replacement project (WA0305) has been funded by the NUA and is expected to include 13,200 linear feet (LF) of 16-inch waterline along the west side of Berry Road from Robinson to Lindsey and then east along Lindsey to Chautauqua where it will connect to the 16-inch Lindsey Waterline project completed in 2005.

On May 10, 2011, the NUA approved Amendment No. 1 to Contract K-0910-61 authorizing Poe & Associates (Poe) to perform field surveying, preliminary design, final design and limited construction management services for the Berry Waterline Replacement for a total contract price of \$172,000. The design plans were approved by the Oklahoma Department of Environmental Quality (DEQ) on April 29, 2014.

Staff has intentionally delayed bidding of the NUA project in coordination with OU to allow OU time to obtain funding for their waterline and permit the simultaneous replacement of both deteriorated waterlines. Phase 1 of the project was created to allow the southern portion of the Berry Road Waterline Replacement to be completed in advance of the replacement of the Imhoff Creek Bridge as a part of the Lindsey Street Widening Project. Phase 1 begins approximately 400 feet north of Lindsey on Berry Road, going south to Lindsey and then east to Chautauqua on the south side of the Lindsey. Staff has coordinated with OU to allow the 14-inch waterline owned by both entities to be constructed parallel and directly adjacent to each other and bid as one project to reduce inconvenience to the public and achieve some cost savings through reduced excavation and reduced width of pavement repairs. The waterline improvements will be managed and paid by each entity under separate contract with the same contractor.

**DISCUSSION:** Advertisement for Bid No. 1415-28 for the Phase 1 Berry Road Waterline Replacement project was published in the Norman Transcript on December 4th and December 11th, 2014. Section A of the bid is to be funded by the NUA while Section B is to be funded by OU; the bid is to be awarded to the lowest responsive bidder for Section A and Section B combined. As shown on the attached bid tabulation, four contractors submitted bids on January 22, 2015. The total bid ranged between \$1,430,922.73 and \$2,912,394, with Patriot Construction Services, Inc. (Patriot) of Guthrie, Oklahoma submitting the low bid of \$1,430,922.73; the engineers estimate was \$2,247,080. The bids for the NUA portion (Section A) ranged between \$1,013,738.42 and \$1,896,264 with Patriot providing the low bid of \$1,013,738.42; the engineers estimate for Section A was \$1,610,830. The Total Base Bid from Patriot is approximately 29% lower than the second low bidder and over 36% lower than the engineers estimate.

Based on the apparent bid disparity, the NUA and the design engineer reviewed the bid and the qualifications of Patriot Construction Services, Inc. in greater detail. The review indicated that Patriot was formed less than one year ago and that the largest water utility projects included in their qualifications were three projects reported to be valued at \$120,000, \$160,000 and \$500,000 respectively. However, these projects were not completed by Patriot; rather, these qualifications were completed by another construction company that several Patriot employees worked for prior to forming Patriot Construction. Additionally, a review of the unit prices bid by Patriot indicates the bid to be inconsistent, un-balanced and extremely low.

The City's code provisions related to competitive bidding state that acceptance shall be made of the bid "most advantageous to the City, considering price, quality, date of delivery, and other pertinent factors". Norman Code, Section 8-205(e). Similarly, the Public Competitive Bidding Act of 1974 states that public construction contracts over \$50,000 should be awarded to the lowest *responsible* bidder. (*Emphasis added*). 61 O.S. Section 103(A). The Berry Road Waterline Replacement project is a very high profile project with almost continuous interaction with the public and a very restrictive completion schedule of 6 months. This project is tied closely with the Lindsey Street Widening project as well as the other associated utility relocation projects; failure to complete the project in a timely manner is not an available option if we desire to meet the ODOT imposed deadline for completing all utility relocations.

Our design engineer, has reviewed the bid proposal and recommends awarding the bid to the second low bidder, Central Contracting Services, Inc. of Norman, Oklahoma in the amount of \$2,012,800 with the NUA share being \$1,334,675 as the bid most advantageous to the City. Poe does not recommend awarding the bid to the low bidder, Patriot Construction due to insufficient experience and an unbalanced bid. Utilities staff

concurs in this assessment, as does the University of Oklahoma.

The Fiscal Year Ending (FYE) 2015 budget for the Berry Road Waterline Replacement project has an unencumbered balance of \$3,800,000 in Construction (Account 031-9521-462.61-01; Project WA0305). Adequate funds are available to fund the Phase 1 project in the amount of \$1,334,675.

The City of Norman is exempt from the payment of any sales or use taxes. Pursuant to Title 68 O.S., Section 1356 (10) and as allowed by Oklahoma Tax Commission Rules Part 27 Trust Authority 710:65-13-140, direct vendors to the NUA are also exempt from those taxes. A bidder and his subcontractors may exclude from their bid sales taxes on appropriate equipment, materials, and supplies that will not have to be paid while acting on behalf of the NUA. To minimize project costs, the NUA will make payment directly to vendors supplying equipment and materials for incorporation into the project.

**RECOMMENDATION:** It is recommended that the NUA accept the bids received in response to Bid No. 1415-28 and award the bid to Central Contracting Services, Inc. of Norman, Oklahoma. It is further recommended that the NUA approve Contract K-1415-70 in the amount of \$1,334,675 with Central Contracting Services, Inc., and approve Maintenance Bond MB-1415-27, Performance Bond B-1415-28, and Statutory Bond B-1415-29; all bonds being the amount of the construction contract. Finally, it is recommended that the NUA authorize and direct the Utilities Director to approve the purchase of equipment and materials for this project directly from vendors at prices agreed to by Central Contracting Services, Inc.