



City of Norman, OK

Municipal Building Council
Chambers
201 West Gray Street
Norman, OK 73069

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Title

CONSIDERATION OF AWARDING OF BID 1213-52, THE NORMAN UTILITIES AUTHORITY'S APPROVAL OF CONTRACT K-1213-92 WITH MATTHEWS TRENCHING COMPANY, INC. IN THE AMOUNT OF \$1,256,224.50; PERFORMANCE BOND B-1213-38; STATUTORY BOND B-1213-39, AND MAINTENANCE BOND MB-1213-29 FOR THE HIGH PRESSURE PLANE WATER LINE IMPROVEMENT PROJECT; AND BUDGET TRANSFER.

Body

BACKGROUND: The Segment A Waterline project (WB0134) was created in the Fiscal Year Ending (FYE) 2007 budget process; the project was to install approximately 2,700 linear feet (LF) of 42-inch water line (in the "normal pressure plane") between the Water Treatment Plant (WTP) and 24th Avenue NE. Professional Engineering Consultants (PEC) was hired to perform water modeling and design services for the Segment A Waterline project under Contract K-0607-122. Water modeling indicated the need to improve the service to the high pressure plane (HPP) in northeastern Norman, in lieu of constructing Segment A (see attached map of High Pressure Plane area of Norman's water utility).

In FYE09, the High Pressure Plane (HPP) Waterline Improvements project (WA0131) was budgeted to install approximately 5,300 linear feet (LF) of 12-inch water line and 2,700 LF of 16-inch water line to serve the southern and northern areas of the high pressure plane, respectively. Under Contract K-0607-122, PEC provided geotechnical exploration, surveying and design services pursuant to the HPP Waterline Improvements project. PEC will continue to perform limited construction administrative services during construction of the HPP improvements, if approved.

The HPP Waterline Improvements now includes approximately 3,200 LF of 24-inch waterline between the Water Treatment Plant (WTP) and 24th Avenue NE, and approximately 5,900 LF of 16-inch waterline along Robinson between the WTP to 36th Avenue NE and then south to Alameda. The originally proposed pipe diameters for this project were increased to ensure adequate water supply to the high pressure plane. The 16-inch waterline provides a second feed to the southern portion of the HPP (Alameda Plaza, Meadowwood Estates, Summit Lakes, and Royal Oaks subdivisions). The 24-inch waterline feeds the northern portion of the HPP (Deerfield, Hall Park, Hallbrooke, High Meadows, Lakecrest, Park Hill, Park Place, Queenston, Shadowlake and Sonoma Park). The improvements will provide a more sustainable water pressure with less pressure fluctuation during periods of peak demand.

The Oklahoma Department of Environmental Quality (ODEQ) approved the design plans on February 7, 2013. The NUA will consider receipt of ODEQ Permit WL00001413099 as a separate agenda item on March 12, 2013.

DISCUSSION: The advertisement for bids was published in the Norman Transcript on January 31 and February 7, 2013, and in several trade publications. Seven contractors attended the pre-bid conference and bids were received from six contractors on February 21, 2013. As shown on the attached bid tabulation, Matthews Trenching Company, Inc. was the low bidder at \$1,256,224.50. Other bids ranged between \$1,270,768.37 and \$1,651,553; the engineer's estimate was \$1,127,038. As noted in its letter of February 22, 2013, PEC recommends award to Matthews Trenching Company, Inc. of Oklahoma City, Oklahoma. The Utilities Department concurs in this award recommendation.

The Fiscal Year Ending (FYE) 2013 budget includes unencumbered funds of \$446,537 in HPP Waterline Replacement Construction (WA0131) account 031-9353-462.61-01 and \$36,614 HPP Waterline

Replacement Land (WA0131) account 031-9353-462.60-01 for a total of \$483,151.

Staff has recommended and Bond Counsel has agreed that the HPP Waterline Improvements may be funded with remaining proceeds of the Norman Utilities Authority Series 2006 Water Revenue Bond. As such, \$483,151 in unencumbered funds in project WA0131 may be transferred into HPP Waterline Replacement Construction (account 031-9353-462.61-01; project WB0131). Upon completion of this transfer, a construction budget shortfall of \$773,074 exists for HPP Waterline Replacement Construction. As noted above, the project budget was developed several years ago prior to increasing the pipe diameters from 16 to 24 inches and from 12 to 16 inches.

In order to fully fund the proposed improvements, it is necessary to transfer at least \$773,074 from other water bond projects. Utilities staff also recommends including a small contingency of about 2.14% (\$26,926) to cover unexpected expenses for a total transfer of \$800,000.

Utilities staff recommends transfer of \$800,000 from 24-inch Waterline Segment D Construction (account 031-9360-462.61-01; project WB0184), to HPP Waterline Replacement, Construction (account 031-9353-462.61-01; project WB0131). This transfer is recommended because completion of the Segment D Waterline along Highway 9 has been delayed by our inability to obtain easements within the Highway 9 right-of-way. This has caused a shift of the Segment D Waterline original alignment along Highway 9 between Jenkins Avenue and 24th Avenue SW to a revised alignment going north from Highway 9 along Chautauqua Avenue, west on Imhoff Road, north on Berry Road and west on Lindsey Street to 24th Avenue SW.

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.

The bidding documents required the 16-inch waterline to be constructed within 100 calendar days and the entire project to be completed within 210 calendar days. The tentative schedule for constructing the HPP Waterline project is as follows:

Award and contracts - 03/12/13
Start work - 03/25/12
Complete 16-inch WL - 07/03/13
Final Completion - 10/01/13

RECOMMENDATION 1: Recommend the NUA accept the bids received in response to Project Bid 1213-52, High Pressure Plane Waterline Improvements, and award the bid to Matthews Trenching Company, Inc. of Oklahoma City, Oklahoma.

RECOMMENDATION 2: Recommend the NUA transfer \$483,151 in unencumbered funds in project WA0131 into HPP Waterline Replacement Construction (account 031-9353-462.61-01; project WB0131).

RECOMMENDATION 3: Recommend the NUA transfer \$800,000 from 24-inch Waterline Segment D Construction (account 031-9360-462.61-01; project WB0184) into HPP Waterline Replacement Construction (account 031-9353-462.61-01; project WB0131).

RECOMMENDATION 4: Recommend the NUA authorize the Chairman to sign Contract K-1213-92 in the amount of \$1,256,224.50 with Matthews Trenching Company, Inc.

RECOMMENDATION 5: Recommend the NUA authorize the Chairman to Sign Statutory Bond B-1213-38, Performance Bond B-1213-39, and Maintenance Bond MB-1213-29; all bonds being in the amount of the construction contract.

RECOMMENDATION 6: Recommend the NUA allow the Utilities Director to approve the purchase of equipment and materials directly from vendors at prices agreed to by the Contractor.