



# City of Norman, OK

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

## Text File

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#### Title

CONSIDERATION OF BID NO. 1213-44, CONTRACT NO. K-1213-88 WITH URBAN CONTRACTORS, L.L.C., IN THE AMOUNT OF \$2,774,200; PERFORMANCE BOND NO. B-1213-34; STATUTORY BOND NO. B-1213-35, AND MAINTENANCE BOND NO. MB-1213-27 FOR THE SEWER MAINTENANCE PROJECT FYE 2011 AND BUDGET TRANSFERS.

#### Body

**BACKGROUND:** In 2001, the citizens of Norman approved a five dollar per month maintenance fee providing for the systematic replacement of aged and deteriorating sewer lines throughout our system. The fiscal year 2010-2011 (FYE11) Sewer Maintenance Plan (SMP) project is rehabilitative in nature, generally bounded by Alameda to the north, Bishop Creek to the west, partially Boyd and partially Brooks to the south, and Shiloh to the east (see map attached). It will replace about 38,000 feet (7 miles) of sewer line and replace or rehabilitate about 220 manholes. All existing six inch (6") diameter pipe and all clay tile pipe will be replaced with high density polyethylene (HDPE) sewer pipe at existing grades and depths, with a minimum diameter of eight inches (8"), primarily using the pipe-bursting technique.

**DISCUSSION:** An advertisement for bids was published in the Norman Transcript on April 25 and May 2, 2013. Project bids opened on May 23, 2013; as shown on the attached Bid Tabulation, four (4) bids were received and Urban Contractors, LLC was the low bidder at \$2,774,200. Staff engineer's estimate was \$2,892,276. Work should begin during July with 440 days scheduled contract completion time.

The Fiscal Year Ending (FYE) 2013 budget includes an unencumbered balance of \$1,668,793 for Construction (account 321-9338-432.61-01; project WW064), a shortfall of \$1,105,407 from the low bid amount. Historically, our annual sewer maintenance project is funded at about \$2.8M. However, the previous fiscal year budget only provided the above balance, which has been subsequently carried over in accordance with City policy. Staff recommends supplemental funding of the shortfall plus five percent (5%) contingency, for a total of \$1,244,117, as follows.

Our previous annual sewer project SMP FYE10 is complete but funds are still available in its construction account. Therefore, staff recommends transfer of the remaining balance, \$840,803 from SMP FYE10, Construction (account 321-9338-432.61-01; project WW0055) to SMP FYE11, Construction (account 321-9338-432.61-01; project WW0064). The SMP FYE13 budget also currently includes an available balance of \$4,011,743, since unexpended balances from previously completed annual sewer maintenance projects were accumulated there. Therefore, staff further recommends a transfer of \$403,314 from SMP FYE13, Construction (account 321-9338-432.61-01; project WW0200) to SMP FYE11, Construction (account 321-9338-432.61-01; project WW0064).

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 Norman Utilities Authority (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.

**STAFF RECOMMENDATIONS:** Staff recommends that the NUA accept the bids received in response to Bid 1213-44 and award to the low bidder, Urban Contractors, L.L.C., of Oklahoma City. Staff further recommends transfers as follows:

\$840,803 from SMP10, Construction (account 321-9338-432.61-01; project WW0055) to SMP11, Construction (account 321-9338-432.61-01; project WW0064).

\$403,314 from SMP13, Construction (account 321-9338-432.61-01; project WW0200) to SMP11, Construction (account 321-9338-432.61-01; project WW0064).

Staff further recommends approval of Contract K-1213-88 with Urban Contractors, L.L.C., in the amount of \$2,774,200, Performance Bond B-1213-34, Statutory Bond B-1213-35, and Maintenance Bond MB-1213-27; each in the contract amount. Staff further recommends that the Utilities Director be allowed to approve the purchase of equipment and materials for Sewer Maintenance Project FYE 2011 directly from vendors at prices agreed to by the Contractor.