



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: K-1920-73**

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<b>File ID:</b> K-1920-73	<b>Type:</b> Contract	<b>Status:</b> Consent Item
<b>Version:</b> 1	<b>Reference:</b> Item 11	<b>In Control:</b> City Council
<b>Department:</b> Utilities Department	<b>Cost:</b> \$2,796,161.00	<b>File Created:</b> 03/16/2020
<b>File Name:</b> Sewer Maintenance 2017 Contract Award	<b>Final Action:</b>	

**Title:** CONSIDERATION OF AWARDING OF BID 1920-49 AND APPROVAL OF CONTRACT K-1920-73 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND HORSESHOE CONSTRUCTION, INC., IN THE AMOUNT OF \$2,796,161.25 AND CHANGE ORDER NO. ONE AT NO EXTRA COST OR NO EXTRA CALENDAR DAYS FOR THE FYE 2017 SEWER MAINTENANCE PROJECT, PERFORMANCE BOND B-1920-41; STATUTORY BOND B-1920-42, AND MAINTENANCE BOND MB-1920-20 AND BUDGET TRANSFER BETWEEN PROJECT ACCOUNTS.

**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 \$2,796,161.25 to Horseshoe Construction, Inc., as the lowest and best bidder meeting specifications; approve Contract K-1920-73, Change Order No. One, 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 the FYE 2017 Sewer Maintenance Project; direct the filing of the bonds; and transfer \$660,000 from Project WW0316, FYE 2018 Sewer Maintenance Project Construction (32193338-46101) to Project WW0307, FYE2017 Sewer Maintenance Project, Construction (32193338-6101).

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

**Agenda Date:** 04/14/2020

**Agenda Number:** 11

**Attachments:** SMP17 Bid Summary, Horseshoe K-1920-73, Maintenance Bond B-1920-20, Performance Bond B-1920-41, Statutory Bond B-1920-42, SMP2017\_Revised\_11x17\_03252020

**Project Manager:** Mark Daniels, Utilities Engineer

**Entered by:** nathan.madenwald@normanok.gov

**Effective Date:**

### History of Legislative File

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Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
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**Text of Legislative File K-1920-73**

Body

**BACKGROUND:** In 2001, the citizens of Norman approved a five dollar per month sewer maintenance fee to provide for the systematic replacement of aged and deteriorating neighborhood sewer lines. The FYE17 Sewer Maintenance Project (SMP17) study area is shown on the attached map. After extensive study by Norman Utilities Authority (NUA) staff of Sewer Line Maintenance Division and Utilities Engineering, the sanitary sewer lines within the study area were determined to require rehabilitation or replacement, repair, or no action due to the pipe and appurtenances being in good condition.

As illustrated on the map, the SMP17 study area is generally bounded by Cavecreek Street to the north, Porter Avenue to the west, Rock Creek Road to the south, and 12th Avenue NE to the east. It will replace about 28,500 feet (about 5.7 miles) of old sewer lines and rehabilitate or replace 161 manholes. Generally, the selected contractor will install high-density polyethylene (HDPE) sewer pipe, primarily using the pipe-bursting technique. This technique allows long lengths of joint less HDPE piping to be pulled into the old pipe at manholes as it is expanded with the bursting tool. House sewer service connections are then re-connected to the new pipe; approximately 455 private residences will be affected.

**DISCUSSION:** The advertisement for bids was published in the Norman Transcript on February 7 and February 14, 2020, with bids received and opened on March 12, 2020. The bid included a Base Bid for the majority of the project (28,000 feet of 8 to 12-inch piping) as well as an Alternate Bid for a larger diameter 16-inch sewer interceptor (2,400 feet). As shown on the attached Bid Summary, five bids were received from the seven bidders attending the pre-bid conference. The NUA engineering estimate was \$2,999,300 for the Base Bid and \$422,570 for the Alternate Bid for a combined total of \$3,421,570. The five bids ranged between \$3,188,191 and \$5,330,930 for the combined bid.

Horseshoe Construction, Inc. of La Porte, Texas, was the low bidder for the Base Bid at \$2,796,161.25 while Jordan Contractors of Tecumseh, Oklahoma was the low bidder for the Alternate Bid at \$322,230. Horseshoe Construction was also the low bidder for the combined Base Bid + Alternate Bid at \$3,188,191.25; their price for the Alternate Bid was \$392,030. The three lowest bids were very competitive with the second place (PM Construction) and third place (Jordan Contractors) contractors being \$3,223,191.97 and \$3,259,834, respectively.

NUA staff recommends award of the Base Bid to Horseshoe Construction, Inc. for \$2,796,161.25. The work included in the Alternate Bid will be re-advertised, as there is a potential savings of almost \$70,000. Assuming NUA approval on April 14, 2020, the contract time for the Base Bid would start April 27 with a projected work start of June 1, 2020, after allowing for approval and delivery of materials. The contract completion time is 360 calendar days so the project should be complete by April 22, 2021. Change Order No. One addresses Bid Item No. One, Mobilization/Demobilization and Insurance which is changed from \$120,000

to \$80,000 and Bid Item 30, Site Restoration which is changed from \$2,500 to \$42,500. There is no increase to the contract amount and no extra calendar days.

The current year budget for the FYE17 Sewer Maintenance Project includes an unencumbered balance of \$2,277,139.78 in Construction (account 32193338-46101; project WW0307) creating a shortfall of \$519,021.47 to fully fund the Base Bid contract amount of \$2,796,161.25. Allowing a 5% contingency (\$139,810) increases the shortfall to \$658,831.47. To fully fund the contract and provide a 5% contingency, staff recommends transfer of \$660,000 from the FYE18 Sewer Maintenance Project Construction (account 32193338-46101; project WW0316) to the FYE17 Sewer Maintenance Project, Construction (account 32193338-46101; project WW0307).

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 contractor and his subcontractors may exclude from their cost, sales taxes on appropriate equipment, materials, and supplies that need not 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 RECOMMENDATION:** Staff recommends that the NUA accept Bid 1920-49 and award the Base Bid to Horseshoe Construction, Inc. of La Porte, Texas in the amount of \$2,796,161.25 as the lowest bidder meeting specifications; authorize approval and execution of Contract K-1920-73 with the performance, statutory, and maintenance bonds in the amount of the contract, authorize the NUA to pay vendors for equipment and supplies for the FYE17 Sewer Maintenance Project, and budget transfer of \$660,000 from FYE18 Sewer Maintenance Project to the FYE17 Sewer Maintenance Project.