



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1819-2

File ID: K-1819-2

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 12

In Control: City Council

Department: Public Works
Department

Cost: \$1,651,700.00

File Created: 07/03/2018

File Name: Urban Asphalt 2019

Final Action:

Title: CONSIDERATION OF AWARDING OF BID 1819-2; CONTRACT K-1819-2 WITH SILVER STAR CONSTRUCTION COMPANY, INC., IN THE AMOUNT OF \$1,651,700; PERFORMANCE BOND B-1819-3; STATUTORY BOND B-1819-4; AND MAINTENANCE BOND MB-1819-2 FOR THE URBAN ASPHALT PAVEMENT STREET MAINTENANCE BOND PROGRAM, FYE 2019 LOCATIONS; ADOPTION OF RESOLUTION R-1819-2 GRANTING TAX EXEMPT STATUS AND BUDGET TRANSFER BETWEEN PROJECT ACCOUNTS.

Notes: ACTION NEEDED: Motion to accept or reject all bids meeting specifications; and, if accepted, award the bid in the amount of \$1,651,700 to Silver Star Construction Company, Inc. as the lowest and best bidder meeting specifications; approve Contract K-1819-2 and the performance, statutory, and maintenance bonds; authorize execution of the contract and bonds; direct the filing of the bonds, adopt Resolution R-1819-2, and transfer \$59,233 from Project BP0409, Cherry Creek: Main to Stonewell:Construction (050-9393-431.61-01) to Project BP0400, Live Oak Drive: Walnut to End, Construction, (050-9401-431.61-01).

ACTION TAKEN: _____

Agenda Date: 07/24/2018

Agenda Number: 12

Attachments: BID TAB ASPHALT, Contract K-1819-2, Perf B-1819-3, Stat B-1819-4, MB-1819-2, Location Maps, Pavement Rehab Locations, Letter, R-1819-2, Requisition

Project Manager: Tony Mensah, Capital Projects Engineer

Entered by: rachel.warila@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-1819-2

Body

BACKGROUND: In the Norman General Obligation Bond Election of 2016, voters approved the Street Maintenance Bond Program, a 5-year, 4-phase program to address maintenance needs on neighborhood streets.

The four categories include (1) Urban Asphalt Street Rehabilitation, (2) Urban Concrete Street Rehabilitation, (3) Urban Roads Reconstruction and (4) Rural Road Rehabilitation. Prior to the election, the City provided a list of all streets included in the program, based upon the pavement condition data from the City's current Pavement Management System. Nine (9) neighborhood additions with 22 locations on urban asphalt streets were identified for the third year (FYE 2019) of the program. A list of the locations and the associated maps are attached.

DISCUSSION: The bid opening was conducted on June 14, 2018. Bid specifications and documents were advertised on May 24, 2018 and May 31, 2018 in accordance with State Law. Seven (7) potential bidders acquired plans and specifications. Two (2) contractors submitted bids. The lower bid in the amount of \$1,533,418.50, which is \$59,048.50 or 3.71% less than the engineer's estimate, was submitted by RDNJ, LLC dba A-Tech Paving of Edmond, OK. The other bidder is Silver Star Construction Company of Moore, OK, in the amount of \$1,651,700, which is \$59,233 or 3.72% higher than the engineer's estimate of \$1,592,467. Staff has done a comparative analysis of these bids and believes the bids to be competitive and represent a fair price. The bid tabulation is attached.

The state Competitive Bidding Act (Act) requires that the contract be awarded to the "lowest responsible bidder". However, the Act does not define lowest responsible bidder. Section 8-204 of the City Code states that "[A]cceptance will be made of that bid most advantageous to the City, considering price, quality, date of delivery, and other pertinent factors." Although price is important, other factors can and should be considered to determine whether the bid represents the best value for the City. Typically, these factors include the bidder's financial or pecuniary ability to complete the contract, integrity and trustworthiness, skill, judgment, ability to perform faithful and conscientious work, promptness, experience, necessary facilities and equipment for doing the work, efficiency, previous performance of satisfactory work, etc.

Staff carefully reviewed the bid packages. The lowest bidder, RDNJ, LLC dba A-Tech Paving, is currently working on five projects for the City of Norman. Several of these projects are incomplete and behind schedule. For instance, the 2015 Main Street Pavement Repair Project is still incomplete. The 2017 Imhoff Creek Channel Repair Project is about four and a half months behind schedule. The current Lahoma Street project is two months behind schedule. City Staff has also been informed that RDNJ is having similar problems in the City of Oklahoma City. This raised concerns that RDNJ, LLC dba A-Tech Paving would not have adequate personnel and equipment to complete the Urban Asphalt contract in the required timeframe. This contractor has also been non-compliant with other contractual obligations. The findings of the selection committee are outlined in the attached letter to RDNJ.

For the above mentioned reasons, the city staff recommends that RDNJ, LLC, d/b/a A-Tech, not be considered the lowest responsible bidder on this project. Staff has met with the Contractor to discuss corrective measures on the pending projects, and if completed satisfactorily, RDNJ will be considered for future City projects.

City staff has also reviewed the bids and documents submitted by the other bidder, Silver Star Construction Company, and their current performances on projects with City of Norman. Staff has found their documentation to be in compliance with City of Norman's Standard Specifications, and their current performances acceptable, and therefore considers them to be the lowest responsible bidder under the State standard and the bid most advantageous to the City under the City's standard.

If approved, the base bid for this project will complete the third year (FYE 2019) locations in the Urban Asphalt Pavement Rehabilitation portion of the 2016 Street Maintenance Bond Program. If approved, construction will begin on these projects at the end of July 2018. The construction time for this project is 150 days with an estimated completion at the beginning of January 2019. However, projects near schools may be postponed to coincide with breaks or following the school year to avoid interruptions to the drop off and pick up procedures at the schools. The completion could also be delayed due to cold temperatures in the winter months that hinder the paving operations. All work will be completed within FYE 2019.

The accepted bid from Silver Star Construction Company of Moore, OK in the amount of \$1,651,700 is \$59,233 or 3.72% higher than the engineer's estimate of \$1,592,467. However, the 2019 Street Maintenance Bond Program Concrete Projects is \$326,885 below the engineer's estimate for that program. The total of the recommended

bids for the programs for the year is well below the total of the engineer's estimates and the authorized capital budget for the City's 2016 Street Maintenance Bond Program. The additional funding for the FYE 2019 asphalt projects is available in the Capital Fund, Urban Asphalt Pavement Bond Program, Construction (account #010-9393-431.61-01; project BP0409 and project BP0398 through BP0404), as shown on the attached Table.

RECOMMENDATION No. 1: For the above mentioned reasons, Staff, after reviewing the bids, recommends Bid 1819-2 for Street Maintenance Bond Program - Urban Asphalt be awarded to the lowest responsible bidder, Silver Star Construction Company of Moore, Oklahoma, for \$1,651,700.

RECOMMENDATION No. 2: Staff further recommends that, upon approval of Bid No. 1819-2, the following contract and bonds be approved:

- Contract K-1819-2
- Performance Bond B-1819-3
- Statutory Bond B-1819-4
- Maintenance Bond MB-1819-2

RECOMMENDATION No. 3: Staff further recommends that Silver Star Construction Company be authorized and appointed as Project Agent for the purpose of avoiding the payment of sales tax on materials purchases for the project, via Resolution R-1819-2.

RECOMMENDATION No. 4: Staff further recommends that a transfer of \$59,233 from the Urban Concrete Pavement Project (account 050-9393-431.61-01; project BP0409) to the Urban Asphalt Pavement Project (account 050-9401-431.61-01; project BP0400), be approved.