



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1415-26

File ID: K-1415-26

Type: Contract

Status: Consent Item

Version: 3

Reference: Item No. 15

In Control: City Council

Department: Utilities Department

Cost: \$2,577,053.20

File Created: 09/26/2014

File Name: Sewer Maintenance Project FYE 2012

Final Action:

Title: NORMAN UTILITIES AUTHORITY'S CONSIDERATION OF AWARDING BID NO. 1415-18 AND APPROVAL OF CONTRACT NO. K-1415-26 WITH PM CONSTRUCTION & REHAB, L.L.C., IN THE AMOUNT OF \$2,577,053.20; PERFORMANCE BOND NO. B-1415-14; STATUTORY BOND NO. B-1415-15, AND MAINTENANCE BOND NO. MB-1415-10 FOR THE SEWER MAINTENANCE PROJECT FYE 2012 AND BUDGET TRANSFER FROM THE SEWER MAINTENANCE PROJECT (SMP) FYE 2013 CONSTRUCTION ACCOUNT.

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 \$2,577,053.20 to PM Construction & Rehab, L.L.C., as the lowest and best bidder meeting specifications; approve Contract No. K-1415-26 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 SMP FYE 12 Project; direct the filing of the bonds; and transfer \$448,408 from Project No. WW0200, SMP FYE13, Construction (321-9338-432.61-01) to Project No. WW0070, SMP FYE12, Construction (321-9338-432.61-01).

ACTION TAKEN: _____

Agenda Date: 10/14/2014

Agenda Number: 15

Attachments: Location map, Bid Tabulation, K-1415-26.pdf, Perf B-1415-14.pdf, Stat B-1415-15.pdf, MB-1415-10.pdf, Purchase Requisition

Project Manager: Charlie Thomas, Capital Projects Engineer

Entered by: charlie.thomas@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-1415-26

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. The Sewer Maintenance Project FYE 2012 (SMP12) is rehabilitative in nature, generally bounded by Boyd to the north, Imhoff Creek to the west, Timberdell to the south, and Elm to the east (see map attached). It will replace about 32,000 feet (6 miles) of

sewer line and replace or rehabilitate about 120 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 August 7 and 14, 2014. Project bids were opened on August 28, 2014. As shown on the attached Bid Tab, five (5) bids were received and PM Construction & Rehab, LLC was the low bidder at \$2,577,053.20. Staff engineer's estimate was \$2,562,680. Work should begin during November with a contract completion time of 365 calendar days.

The Fiscal Year Ending 2015 (FYE15) budget for SMP12 (project WW0070) includes an unencumbered balance of \$2,386,350.07 for Construction (account 321-9338-432.61-01), a shortfall of \$190,703 (rounded) from the low bid amount. Historically, our annual sewer maintenance project is funded at about \$2,800,000. However, the FYE12 budget only provided the above stated balance, which has been subsequently carried over in accordance with City policy. Staff recommends supplemental funding of the shortfall, plus 10 percent (10%) contingency, as follows.

The FYE15 budget includes an unencumbered balance for SMP FYE13 of \$4,538,929 for Construction (account 321-9338-432.61-01), since unexpended balances from previously completed annual sewer maintenance projects were accumulated therein. Therefore, staff recommends a transfer of \$448,408 from SMP FYE13, Construction (account 321-9338-432.61-01; project WW0200) to SMP FYE12, Construction (account 321-9338-432.61-01; project WW0070).

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: Recommend the NUA accept the bids received in response to Project Bid 1415-18, and award the bid in the amount of \$2,577,053.20 to PM Construction & Rehab, LLC of Pasadena, TX, as the best bidder meeting specifications; approve Contract K-1415-26 and the performance, statutory, and maintenance bonds, each in the contract amount, and transfer \$448,408 as detailed above. Staff further recommends the Utilities Director be allowed to approve the purchase of equipment and materials for Sewer Maintenance Project FYE 2012 directly from vendors at prices agreed to by the Contractor.