



Legislation Text

File #: K-1718-4, **Version:** 1

CONSIDERATION AND AWARDING OF BID 1718-4; APPROVAL OF CONTRACT K-1718-4 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND MCKEE UTILITY CONTRACTORS, INC., IN THE AMOUNT OF \$495,502.80; PERFORMANCE BOND B-1718-7, STATUTORY BOND B-1718-8, AND MAINTENANCE BOND MB-1718-4 FOR THE ROYAL OAKS FORCE MAIN IMPROVEMENTS PROJECT.

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 Royal Oaks Force Main Improvements project (WW0062) is located on the east side of 24th Avenue SE, from near Alex Plaza Drive south across Alameda Street to near Beaumont Drive just north of Lindsey (map attached).

Two 12-inch pressurized polyvinyl chloride (PVC) force mains, one from Hall Park Lift Station and the other from Royal Oaks Lift Station, join together into a 16-inch ductile iron force main near Alex Plaza Drive. The force main continues south across Alameda to the crest of the hill where it crosses 24th Avenue SE and discharges into an existing 18-inch gravity sewer. The two 12-inch force mains are about 14 years old. However, the 16-inch force main and 18-inch gravity sewer were installed in 1984, are about 33 years old, and need to be replaced.

The project includes about 1,900 feet of 16-inch force main and 2,900 feet of 18-inch gravity sewer. Norman Utilities Authority (NUA) staff is coordinating this project with Public Works staff regarding their bond project to widen 24th Avenue SE.

DISCUSSION: An advertisement for bids was published in the Norman Transcript on June 29 and July 6, 2017. Competitive bids were opened on July 20, 2017. As shown on the attached Bid Record, seven (7) bids were received, ranging between \$495,503.80 and \$1,034,200. However, as indicated on the Bid Tabulation, mathematical errors in the bid proposals have been corrected. McKee Utility Contractors, Inc. (McKee) of Prague, OK was the low bidder at \$495,502.80. The design engineer (Cardinal Engineering) and NUA staff recommend award to McKee and approval of the contract and bonds in the amount of \$495,502.80. Work should begin immediately with a contract completion time of 180 calendar days.

The Fiscal Year Ending 2018 budget for Royal Oaks Force Main Improvements includes an unencumbered balance of \$796,000 for Construction (321-9649-432.61-01; Project WW0062), which is sufficient to fund the Contract.

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 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 and provide them to McKee.

RECOMMENDATIONS: Staff recommends the NUA accept all bids meeting specifications and award the bid in the amount of \$495,502.80 to McKee Utility Contractors, Inc.; approve Contract K-1718-4 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 Royal Oaks Force Main Project; and direct the filing of the bonds.