



Legislation Text

File #: K-1718-5, **Version:** 1

CONSIDERATION AND AWARDING OF BID 1718-5; APPROVAL OF CONTRACT K-1718-5 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND MCKEE UTILITY CONTRACTORS, INC., IN THE AMOUNT OF \$1,184,999; PERFORMANCE BOND B-1718-9, STATUTORY BOND B-1718-10, AND MAINTENANCE BOND MB-1718-5 FOR THE CROSSROADS BOULEVARD AREA WATER LINE PROJECT.

BACKGROUND: The Crossroads Boulevard Area Waterline project (WA0213) is located north of Robinson Street between I-35 and 36th Avenue NW (map attached). It provides for replacement of about 13,800 feet of ductile iron (D.I.) water line with six-inch (6") and eight-inch (8") C900 Polyvinyl Chloride (PVC) pipe. The existing D.I. pipe is not compatible with the acidic soil and is failing, causing water outages, water loss and damage to driveways, streets, and yards. As shown on the map, a portion of the subdivision lines have already been replaced by the City's Line Maintenance Division. Also, due to similarly rapidly deteriorating operating conditions and as shown on the map, the project includes about 2,000 feet of eight-inch (8") lines along 24th Avenue NW from near Boardwalk to just north of Tee Circle.

DISCUSSION: An advertisement for bids was published in the Norman Transcript on July 20 and 27, 2017. Project bids were opened August 10, 2017. As shown in the attached letter from Cardinal Engineering, Inc. (Cardinal), five (5) bids were received and McKee Utility Contractors, Inc. (McKee) of Prague, Oklahoma was the low bidder at \$1,184,999. The engineer's estimate was \$1,539,000. Both staff and Cardinal recommend award to McKee. Work should begin during September with a 210 day (7 months) contract completion time.

The Fiscal Year Ending 2018 budget for Crossroads Boulevard Area Waterline includes an unencumbered balance of \$ 1,200,820 for Construction (031-9360-462.61-01; Project WA0213), 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 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 and provide them to McKee.

RECOMMENDATIONS: Staff recommends the NUA accept all bids meeting specifications and award the bid in the amount of \$1,184,999 to McKee Utility Contractors, Inc.; approve Contract K-1718-5; approve the performance, statutory, and maintenance bonds; authorize execution of the contract and bonds; and authorize the NUA, as part of the contract, to pay subcontractors for equipment and supplies for the Crossroads Boulevard Force Main Project; and direct the filing of the bonds.