



Legislation Text

File #: K-1819-48, **Version:** 1

CONSIDERATION AND AWARDING OF BID 1819-12 AND APPROVAL OF CONTRACT K-1819-48 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND PM CONSTRUCTION & REHAB L.L.C., D/B/A IBR SOUTH CENTRAL, L.L.C., IN THE AMOUNT OF \$1,348,501; PERFORMANCE BOND B-1819-26; STATUTORY BOND B-1819-27, AND MAINTENANCE BOND MB-1819-13 FOR THE SEWER MAINTENANCE PROJECT FYE 2014, PHASE 2.

BACKGROUND: In 2001, the citizens of Norman approved a five dollar per month sewer maintenance fee providing for the systematic replacement of aged and deteriorating neighborhood sewer lines. The Sewer Maintenance Project FYE14 (SMP14) was bid in phases due to budget constraints, as shown on the attached map. Phase 1 was completed in January 2017.

The Phase 2 work is generally bounded by Iowa Street to the north, Sherry Avenue to the west, Main Street to the south, and Berry Road to the east. It will replace about 17,000 feet (over 3 miles) of old sewer lines and rehabilitate or replace 90 manholes. Generally, the contractor will install high density polyethylene (HDPE) sewer pipe, primarily using the pipe-bursting technique.

DISCUSSION: An advertisement for bids was published in the [Norman Transcript](#) on July 19 and July 26, 2018, with bids received and opened on August 9, 2018. As shown on the attached Bid Tabulation, five (5) bids were received. The NUA staff engineer's estimate was \$1,723,700. PM Construction & Rehab, LLC of Pasadena, Texas was the low bidder at \$1,348,501. Staff has done a comparative analysis of these bids and believes the low bid is competitive and represents a fair bid. PM Construction successfully completed the SMP12 project in the amount of \$2,268,397 in December 2015 and has met the bidding requirements set forth in the bid documents. Work should begin during September with a contract completion time of 270 calendar days.

The current year budget for SMP14, Phase 2 includes an unencumbered balance of \$1,384,563 in Sanitary Sewer Replacements, Construction (account 321-9338-432.61-01; project WW0202) 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 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 RECOMMENDATIONS: Staff recommends that the NUA accept bids and award the contract in the amount of \$1,348,501 to PM Construction & Rehab, LLC d/b/a IBR South Central, LLC, Pasadena, TX, as the lowest bidder meeting specifications; approve Contract K-1819-48 and the performance, statutory, and maintenance bonds, authorize execution thereof; and the NUA as part of the contract to pay vendors for equipment and supplies for the Sewer Maintenance Project FYE 2014, Phase 2, and direct the filing of the bonds.