



Legislation Text

File #: K-1819-126, **Version:** 1

CONSIDERATION OF AWARDING BID 1819-62, APPROVAL OF CONTRACT K-1819-126 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND MCKEE UTILITY CONTRACTORS, INC., IN THE AMOUNT OF \$1,458,063, PERFORMANCE BOND B-1819-82, STATUTORY BOND B-1819-83, AND MAINTENANCE BOND MB-1819-63; FOR THE ROBINSON WATER LINE PROJECT FROM THE WATER TREATMENT PLANT TO 24TH AVENUE N.E.

BACKGROUND: The Robinson Waterline (WL) Replacement project will ultimately replace over 6 miles of 16, 24 and 30 -inch deteriorated and undersized waterlines between the Brookhaven Elevated Water Storage Tank and the Water Treatment Plant (WTP). This waterline is generally constructed of cast iron or ductile iron pipe installed in the 1960s and early 1970s; the waterline has had numerous leaks resulting in significant loss of water and damage to the overlying or adjacent roadway. Repairs to this large diameter water line are very expensive, time consuming for Norman Utilities Authority (NUA) and Norman Public Works staff and are disruptive to traffic in the area as repairs are completed.

Initially, the Robinson Waterline Under I-35 project was created (Project WA0195) to replace and enlarge the existing waterline along Robinson between 24th Avenue NW and the Robinson Water Tower; the estimated cost to complete this project is \$7.1 million (M) continuing through the end of 2019. Later, the Robinson Waterline Replacement, 24th NW to WTP (Project WA0242, attached) was created to complete the remainder of the replacement project; the estimated cost to replace waterlines along 4.5 miles of Robinson is \$14.1 M over the next five years.

On September 11, 2018, the NUA approved Contract K-1819-59 with Freese and Nichols to design the portion from WTP to 24th Ave NE.

DESCRIPTION: The advertisement for bids was published in the Norman Transcript on April 4, 2019 and April 11, 2019. Project bids were opened on April 25, 2019 and seven (7) bids were received. McKee Utility Contractors, Inc. (McKee) of Prague, Oklahoma was the low bidder at \$1,418,763 for ductile iron and \$1,458,063 for polyvinyl chloride (PVC) piping. The bid results are shown in the attached letter from Freese and Nichols; their construction estimates were \$1,831,890 and \$1,777,855 respectively. Both staff and Freese and Nichols recommend award to McKee to install the PVC pipe since Norman has experienced corrosion problems using the ductile iron pipe.

The Fiscal Year Ending 2019 (FYE19) budget for Robinson Water Line: WTP to 24th Ave NE includes an unencumbered balance of \$2,558,000 in Waterline Replacement, Construction (account 031-9683-462.61-01; project WA0242), 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 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 to McKee for incorporation into the project.

Work should begin within two weeks after NUA approval of the contract and will continue for 210 calendar days, or approximately seven months. Assuming start in June, the project should be complete by December 2019. Construction of the waterline will progress off the roadway, and traffic disruptions on Robinson should be minimal.

RECOMMENDATIONS: Staff recommends the NUA award Bid 1819-62 to McKee Utility Contractors, Inc. for the Robinson Water Line: WTP to 24th Ave NE in the amount of \$1,458,063; approve Contract K-1819-126 and associated performance, statutory, and maintenance bonds in the amount of the bid; and authorize the NUA to purchase equipment and supplies of behalf the contractor for incorporation into the project to avoid the payment of sales tax.