



Legislation Text

File #: K-1920-4, **Version:** 1

CONSIDERATION OF AWARDING BID 1920-1, APPROVAL OF CONTRACT K-1920-4 BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND MATTHEWS TRENCHING COMPANY, INC., IN THE AMOUNT OF \$579,975; PERFORMANCE BOND B-1920-5; STATUTORY BOND B-1920-6; AND MAINTENANCE BOND MB-1920-3 FOR THE SUMMIT VALLEY INTERCEPTOR PROJECT AND BUDGET TRANSFER BETWEEN PROJECT ACCOUNTS.

BACKGROUND: The Summit Valley Interceptor Project includes the installation of approximately 925 feet of 15-inch, 2,130 feet of 12-inch, 75 feet of 8-inch sanitary sewer line and appurtenances. Through completion of this project, the existing Eastridge Lift Station will be taken out of service and demolished and sewage will flow by gravity to the existing Summit Valley Lift Station. The Summit Valley Lift Station was sized with sufficient capacity to handle flows from the entire drainage basin.

On June 26, 2018, the Norman Utilities Authority (NUA) approved Contract K-1718-130 authorizing SMC Consulting Engineers, P.C. to proceed with survey, design, and construction management services for the Summit Valley Interceptor sanitary sewer project.

DESCRIPTION: The Invitation to Bid for Bid 1920-1 for Project WW0278 - Summit Valley Interceptor was published in the *Norman Transcript* on June 6 and June 13, 2019. Five contractors attended the mandatory pre-bid meeting held on June 17, 2019. Bids were opened on June 27, 2019 and five contractors submitted bids. The bids ranged from \$524,760 to 733,000 with Young Contracting, LLC being the low bid.

Upon receipt of the bids, qualifications for Young Contracting, LLC, were checked against the requirements within the specifications for project experience. Though Young Contracting, LLC, was the lowest bid for the project, their qualifications were insufficient to demonstrate compliance with the specifications and required experience. The evaluation completed regarding Young Contracting, LLC's project experience is attached to this item for reference.

The City's code provisions related to competitive bidding state that acceptance shall be made for the bid "most advantageous to the City, considering price, quality, date of delivery, and other pertinent factors". Norman Code, Section 8-205(e). Similarly, the Public Competitive Bidding Act of 1974 states that public construction contracts over \$50,000 should be awarded to the lowest **responsible** bidder. (Emphasis added). 61 OK Stat § 61-103 (2014).

As such, Young Contracting, LLC, was determined to not be a responsible bidder and that the next lowest bid was considered. The low bid from Matthews Trenching Co., Inc., was then evaluated and qualifications were verified to meet project specifications. Therefore, Matthews Trenching Company, Inc. was determined to be the lowest responsible bidder with a bid amount of \$579,975.

Funding for the project is divided between funding from the Water Reclamation Fund (032) and the New Development Excise Tax Fund (322). Funding from the New Development Excise Tax Fund is to upsize the pipe to ensure adequate sewer line size and capacity to meet future development flows

for the basin and is approximately 1/3 of the construction cost.

The Fiscal Year Ending (FYE) 2020 budget for the Summit Valley Interceptor project has an unencumbered balance of \$451,759.61. To fully fund the project, staff recommends appropriating \$158,000 as follows:

1. Appropriate \$94,000 from Water Reclamation Fund Balance (032-0000-253.00-00) into WW0278 Construction (WRF) (032-9048-432.61-01). Sufficient funds available in the WRF Balance; and
2. Appropriate \$64,000 from Sewer New Development Excise Tax Fund Balance (322-0000-253.00-00) into WW0278 Construction (New Development Funds) (322-9048-432.61-01). Sufficient funds available in the New Development Excise Tax Fund Balance.

With the recommended appropriations, the combined construction funds for the project will total \$609,759.61. This provides a project contingency of 5.14 percent of the construction 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 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.

Work on the project will commence shortly after NUA approval of the contract and will continue for approximately six months.

RECOMMENDATION: Staff recommends the NUA accept bids meeting project specifications; award Bid 1920-1 to Matthews Trenching Company. Inc. for Project WW0278 - Summit Valley Interceptor in the amount of \$579,975; approve Contract K-1920-4 and associated performance, statutory, and maintenance bonds in the amount of the bid; authorize execution of the contracts and bonds and the NUA to purchase equipment and supplies on behalf of the contractor for incorporation into the project; and appropriate \$158,000 as noted above to fully fund the construction of the project.