



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 6/25/2024

REQUESTER: Peter Wolbach

PRESENTER: Peter Wolbach, Staff Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AND/OR POSTPONEMENT OF AWARDED BID 2324-53, CONTRACT K-2324-172: BY AND BETWEEN THE CITY OF NORMAN UTILITIES AUTHORITY AND CROSSLAND HEAVY CONTRACTORS, FOR THE NORMAN WASTEWATER RECLAMATION FACILITY IN THE AMOUNT OF \$2,960,000; PERFORMANCE BOND B-2324-67, STATUTORY BOND B-2324-68, AND MAINTENANCE BOND MB-2324-65; AND APPROPRIATION OF WASTEWATER RECLAMATION FUND BALANCE AS OUTLINED IN THE STAFF REPORT.

BACKGROUND:

The Norman Wastewater Reclamation Facility (WRF) is in need of replacing the blowers responsible for aerating the aeration basins and conducting point repairs along the aeration distribution main to seal leaks. The current blower system is comprised of two (2) turbo blowers and four (4) centrifugal blowers. Aerating the basins is a necessary step for removing ammonia, which is a monitored constituent for permitting effluent through the Oklahoma Department of Environmental Quality (DEQ), and therefore critical to the wastewater treatment process at the WRF. The current turbo blowers were installed during WRF Phase 2 Construction in 2016, and at no fault of the contractor, did not meet specifications. Due to the turbo blowers not meeting the project specifications, Atlas Copco and the Norman Utilities Authority (NUA) executed Contract K-2223-119 in February 2023, where Atlas Copco provided two (2) replacement turbo blowers that will meet site specifications at no charge to NUA. These turbo blowers will require installation and integration into the WRF's systems. The current centrifugal blowers have reached the end of their design life, and their accompanying electrical systems are in need of replacement along with the blowers.

With respect to the agreement with Atlas Copco, related engineering services for installation and integration of the turbo blowers are the responsibility of NUA. Garver, LLC was the Engineer of Record for the Phase 2 project and has detailed knowledge of the WRF and its aeration systems. In August 2023, NUA and Garver executed Contract K-2324-33, where Garver performed the following engineering services:

1. Project management services;

2. Design services;
3. Bidding services;
4. Construction administration services; and
5. Application engineering (instrumentation and control) services.

Following completion of the design phase in April 2024, NUA and Garver solicited bids encompassing the installation of the turbo blowers, point repairs of the aeration distribution main, and replacement and installation of the centrifugal blowers and their accompanying electrical components.

DISCUSSION:

The advertisement for bids was published in the Norman Transcript in April 25 and May 2, 2024, with bids received and opened on May 30, 2024.

A total of five (5) bids were opened, with four (4) of the five (5) bids being competitive. Crossland Heavy Contractors provided the lowest bid at \$2,960,000. Walters Morgan Construction provided the second lowest bid at \$3,411,500. The base bid included replacement of the current turbo blowers and point repairs along the aeration distribution main. Alternative 1 included replacement of two (2) of the four (4) centrifugal blowers and Alternative 2 included replacement of the remaining two (2) centrifugal blowers. All bidders submitted bids encompassing the base bid and all alternatives. Of the bids received, Garver recommended Crossland Heavy as the lowest and best bid. In anticipation of receiving federal funding, this project was bid with the necessary documents and acknowledgements to receive federal funds. All results of the bid opening event are attached herein.

Assuming NUA approval of Contract Award on June 25, 2024, the contract time would likely start July 9, 2024. The turbo blowers are already onsite and the installation period allotted for the turbo blowers is 180-days. The centrifugal blowers and their accompanying electronics need to be procured and to account for procurement lead times and installation, completion of the entire project has been allotted 600-days total.

Funds in the amount of \$729,794.97 are available in Norman WRF Blower Replacement Project, Construction (Account 32999911-46101; Project WW0332). The Norman Utilities Authority closed on a \$5,000,000 Oklahoma Water Resources (OWRB) loan on May 16, 2024. These funds are drawn from the OWRB as expenditures are made, so an appropriation from Water Reclamation Fund Balance (32-29000) will be needed to fund the remainder of the project (i.e., reimbursement basis).

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.

RECOMMENDATION 1:

Staff recommends that the NUA accept Bid Number 2324-53 and award a contract for the Base Bid plus all Alternates in the amount of \$2,960,000 to Crossland Heavy Contractors of Columbus, Kansas as the lowest and best bidder; authorize approval and execution of Contract K-2324-172 with the performance, statutory, and maintenance bonds in the amount of the contract, authorize the NUA to pay vendors for equipment and supplies for Norman WRF Blower Replacement Project (WW0332).

RECOMMENDATION 2:

Staff recommends appropriation of \$2,230,206 from the Wastewater Reclamation Fund Balance (Account 32-29000) to Norman WRF Blower Replacement Project, Construction to be refunded from the OWRB 2024 Clean Water SRF Promissory Note.