



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 03/28/2023

**REQUESTER:** Ken Giannone, PE

**PRESENTER:** Ken Giannone, PE, Capital Projects Engineer

**ITEM TITLE:** CONSIDERATION OF AWARDDING, APPROVAL, ACCEPTANCE, REJECTION, AND/OR POSTPONEMENT OF BID 2223-53 AND CONTRACT K-2223-118: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND KRAPFF-REYNOLDS CONSTRUCTION COMPANY IN THE AMOUNT OF \$593,630, PERFORMANCE BOND B-2223-62, STATUTORY BOND B-2223-63, AND MAINTENANCE BOND MB-2223-51 FOR THE SANITARY SEWER STREAM CROSSING REPLACEMENT PROJECT FROM CHAUTAUQUA AVENUE TO JENKINS AVENUE, AND BUDGET APPROPRIATION AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

In January 2023, Norman Utilities Authority (NUA) learned that an existing 24" aerial sanitary sewer stream crossing south of State Highway 9, between Chautauqua and Jenkins (in what is colloquially known as "Oliver's Woods") appeared to be in danger of failing.

NUA immediately investigated and determined the aerial crossing is more than 60 years old and supported on concrete piers with shallow foundations, which in turn crossed the stream channel on top of an existing concrete box. The existing concrete box has failed and partially collapsed into the stream. The partial collapse has caused the pier foundations to shift. For the time being, the piers and the aerial crossing remain intact and the sanitary sewer continues to function as intended. Further movement by the foundations will likely result in the piers and the aerial sanitary sewer crossing failing catastrophically. Because the concrete box has the potential to fully collapse at any time, it was determined that immediate action must be taken to replace this crossing.

### **DISCUSSION:**

Staff expedited the project by preparing design and bid documents to replace the crossing in-house. Bids were advertised on February 9 and 16, 2023, and opened on March 9, 2023. Four (4) bidders submitted bids, and these are tabulated in the table below:

| Bidder                                  | Bid Price      |
|---|----------------|
| Krapff-Reynolds Construction Co, OKC    | \$593,630.00   |
| Cimarron Construction Company, OKC      | \$644,900.00   |
| Matthews Trenching Company, Inc.<br>OKC | \$997,820.00   |
| Downey Contracting, LLC, OKC            | \$1,405.823.00 |

Krapff-Reynolds Construction Co. (KRCC) of Oklahoma City, Oklahoma is the apparent low bidder with a total bid price of \$593,630. KRCC has extensive experience in completing projects of similar size, scope, and importance including the emergency replacement of a similar aerial stream crossing for NUA approximately 5 years ago. It is the opinion of NUA staff that KRCC is capable of completing the work on this project, and that they are, therefore, the lowest and best Bidder on the project.

Due to the critical and unplanned nature of this project, there were no funds budgeted for this work in Fiscal Year 2022/23. Consequently, if approved, NUA intends to transfer \$623,000 (Contract + 5% Contingency = \$593,630 + [5% x \$593,630] = \$623,000) from the unencumbered balance in the Sewer Maintenance Fund to the Project Account for Project WW0178 to fund this project.

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 for incorporation into the project.

#### **RECOMMENDATION:**

Staff recommends that: Bid 2223-53 be awarded to Krapff-Reynolds Construction Company; Contract K-2223-118 in the amount \$593,630 and Performance Bond B-2223-62, Statutory Bond B-2223-63, and Maintenance Bond MB-2223-51 be approved; funds in the amount of \$623,000 be appropriated from the Sewer Maintenance Fund Balance (account 322-29000) to Sanitary Sewer Aerial Crossing: Hwy9 & Oliver Wood (project WW0178-CONST, account 32193338-46101), and NUA be authorized to purchase equipment and supplies on behalf of the contractor for incorporation into the project.