



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 05/28/2024

REQUESTER: Ken Giannone, PE

PRESENTER: Ken Giannone, PE, Capital Projects Engineer

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, ADOPTION, REJECTION, AND/OR POSTPONEMENT OF AWARDED BID-2324-51, CONTRACT K-2324-146: BY AND BETWEEN THE CITY OF NORMAN OKLAHOMA AND G&L TANK SANDBLASTING AND COATINGS, LLC, IN AMOUNT OF \$816,200, PERFORMANCE BOND B-2324-63, STATUTORY BOND B-2324-64, AND MAINTENANCE BOND MB-2324-63 FOR THE ROBINSON STREET WATER TOWER RESURFACING PROJECT AND LINDSEY STREET WATER TOWER DEMOLITION; AND TRANSFER OF PROJECT FUNDS AS OUTLINED IN STAFF REPORT.

BACKGROUND:

Lindsey Tower is an elevated water storage tank at the intersection of East Lindsey Street and Classen Blvd that was originally built nearly 100 years ago to serve Norman's potable water system. As Norman's potable water system expanded over the years, however, the system's gradient also changed and, in 2014, it was determined that Lindsey Tank no longer had the hydraulic characteristics necessary to function as viable potable water storage. As a result, it was decommissioned with the intention of demolishing it. Norman Utilities Authority's (NUA's) 2060 Strategic Water Supply Plan, prepared by Carollo Engineering in 2014, included a recommendation that NUA investigate establishing a non-potable recycled wastewater system to provide irrigation water to Reaves Park and additional potential commercial customers along and near State Highway 9. Because of the potential for Lindsey Tower to be used as dedicated storage for such a recycled wastewater system, the demolition of the Tower was put on hold.

On December 14, 2021, City Council approved an engineering contract between Plummer and NUA to evaluate the feasibility of a non-potable recycled wastewater system including an updated evaluation of Lindsey Tower as dedicated storage for such a system. In early 2024, Plummer submitted their final engineering report. The final report determined that it was not economically feasible to either use Lindsey Tower as part of a new non-potable recycled water system or to return it to service as potable water storage. As a result, the only viable option for NUA has been determined to be to demolish the tower.

Unrelated to Lindsey Tower, the coatings on NUA's Robinson Water Tower recently began showing signs of failure. As a result in 2023, NUA issued a purchase order to Dunham Engineering perform a preliminary inspection of the tower. Dunham Engineering's report

confirmed that the coatings on the Robinson Tower were, indeed, approaching the end of their useful life. Therefore, they recommended that a project to resurface the Robinson Tower be scheduled in the near future. Consequently, NUA programmed capital budget funds for fiscal year 2024-25 for Robinson Water Tower Resurfacing (Project WA382).

DISCUSSION:

On March 12, 2024, the conclusions of Plummer's engineering report regarding Lindsey Tower were presented in a Norman Utility Authority/City Council Conference meeting. After the presentation, City Council members observed that, based on its age and visible location, Lindsey Tower could be considered a landmark and that it was in such close proximity to University of Oklahoma's (OU) football stadium that OU may be interested in contributing to repainting the tank so they could place an OU logo on it. NUA stated that, since they had programmed funds to demolish Lindsey Tower, the Norman Utilities Authority could contribute costs, up to cost of demolition, in order for the City of Norman to preserve Lindsey Tower as a landmark, but remaining costs to fund resurfacing and all future maintenance costs would have to come from other sources.

NUA further noted that the unrelated Robinson Tower Resurfacing (project WA382), was budgeted to be completed in fiscal year 2024-25, which starts on July 1, 2024. As a result, if NUA moved up a few months, they could combine a bid for the resurfacing of Robinson Tower with two alternative bids for Lindsey Tower: demolition or resurfacing of exterior surfaces. In this manner, NUA and the City would have the benefit of obtaining the most competitive pricing for both projects, and City Council would be able to evaluate the cost implications and funding possibilities associated with resurfacing the exterior of Lindsey Tower using the actual competitive bid prices rather than with engineering estimates. City Council agreed that this was an acceptable course of action and recommended that NUA proceed with bidding work at Robinson and Lindsey Towers in the manner discussed.

On May 14, 2024, a Contract was approved with Coastal Windforce, Inc. (CWF) (formerly Dunham Engineering) for preparation of bidding documents for both Robinson and Lindsey Towers. Due to the timing needs of the Project, CWF had previously agreed to prepare bidding documents at their own risk in advance of Council consideration of their contract. The Bid Form included two alternative bids as follows:

- Alternate No. 1: Robinson Tower Resurfacing and Lindsey Tower Demolition
- Alternate No. 2: Robinson Tower Resurfacing and Lindsey Tower Exterior Resurfacing

The project was advertised in the *Norman Transcript* on March 22 and 29, 2024, and bids were opened on April 18, 2024. The lowest and best bidder for each alternate is shown in the following table. CWF has also review:

Bid Alt. No.	Lowest and Best Bidder	At Each Tower, Alternate Includes:		Bid Price for Each Tower:		Total Bid for Alternate
		Robinson	Lindsey	Robinson	Lindsey	
1	G&L Tank Sandblasting & Painting, LLC	Resurfacing	Demolition	\$504,200	\$312,000	\$ 816,200
2	TankEZ Coatings, Inc.	Resurfacing	Resurfacing Exterior	\$589,800	\$612,800	\$1,202,600

The results of the Bid were presented in the NUA/City Council conference on April 23, 2024. City Council Members determined that they would like to further investigate available funding possibilities and have additional discussions with OU regarding their willingness to contribute to, and the amounts they would be willing to invest in, the resurfacing of Lindsey Tower before taking further action on awarding a Contract for one of the Bid Alternatives.

During the three weeks after the April 23, 2024 meeting, while City of Norman still hoped to pursue resurfacing of Lindsey Tower, OU advised that, for the short term, they would not be able to consider furnishing funding toward the resurfacing, and no other sources of additional funding had been confirmed. Moreover, because Oklahoma law requires Contract Award within 45 days of Bid Opening, deferring Contract Award much longer could result in NUA being unable to proceed with the resurfacing of Robinson Tower without rebidding the project. For these reasons, NUA was directed to recommend to Award the Contract for Robinson Tower resurfacing, but to defer any work on Lindsey Tower for at least 6 months to allow additional time to identify and confirm potential sources of funding for resurfacing the exterior of the Lindsey Tower.

It should be noted that the demolition of Lindsey Tower would require extensive coordination efforts with the adjacent railroad, power line, and property owners as well as the closure of Lindsey Street for several days. Because of the time required for these efforts and potential conflicts with OU football game traffic starting in late summer and continuing through the OU fall semester, it was intended that, if demolition of Lindsey Tower were undertaken, it would either be scheduled to occur during OU's winter break in late December 2024 and early January 2025 or after the end of the Spring 2025 OU semester. Consequently, it is possible for NUA to proceed with award of Bid Alternate 1 in full. This will allow NUA to award contract within 45 days of bid opening as required; allow the resurfacing of Robinson Tower to commence immediately; and allow City of Norman a minimum of 6 months to further investigate funding possibilities to resurface Lindsey Tower and keep it as a landmark. If funding to resurface Lindsey Tower is secured over the next 6 months, the demolition of Lindsey Tower would be deleted from this Contract by change order, and NUA would rebid the resurfacing of Lindsey Tower. If, in the next 6 months, the determination is made to demolish Lindsey Tower, that work then would proceed under this Contract.

Funding for this Contract would be allocated to the following accounts:

1. Robinson Tower Resurfacing - Construction: 31993354.46101 (WA0382): \$504,200
2. Lindsey Tower Demolition – Construction: 31993354.46101 (WA0182): \$312,000

Contract Total = \$816,200

The Robinson Tower (construction account 31993354-46101 / WA0382) has \$0.00 available for the current fiscal year. Therefore, a budget transfer in the amount of \$529,000 is proposed from the Robinson Water Line Replacement project, Construction (account 31996683-46101; Project WA0242), which has an unencumbered balance of \$830,358.05. The Robinson Water Line Replacement project is not scheduled to be bid during the current Fiscal Year. Funds to be appropriated in FYE 25 from the Water Fund to the Robinson Tower construction account as part of the budget process will be returned to the Water Fund by future City Council action or formal closure of the project.

Lindsey Water Tower, Construction (account 31993354-46101; project WA0182) has an available balance of \$270,000, which was allocated to complete the demolition of the Tower. To provide the required funding, an additional transfer in the amount of \$57,000 is proposed from Robinson Water Line Replacement, Construction (account 31996683-46101; project WA0242). This account currently has an unencumbered balance of \$830,358.05, and, assuming the transfer proposed in the previous paragraph is approved, will still have an unencumbered balance of \$244,358.05 ($\$830,358.05 - \$529,000.00 - \$57,000 = \$244,358.05$). As noted, the Robinson Water Line Replacement project is not scheduled to be bid during the current fiscal year.

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 NUA accept Bid 2324-51 and award Contract with Bid Alternate 1 in the amount of \$816,200 to G&L Tank Sandblasting & Coatings, LLC, of Shelbyville, Tennessee, as the lowest and best bidder, and authorize approval and execution of Contract K-2324-146, Performance Bond B-2324-63, Statutory Bond B-2324-64, and Maintenance Bond MB-2324-63 in the amount of the Contract.

RECOMMENDATION 2:

Staff recommends that NUA approve the transfer of \$529,000 from Robinson Water Line Replacement, Construction (account 31996683-46101; Project WA0242) to Robinson Water Tower Resurfacing, Construction (account 31993354-46101 Project WA0382).

RECOMMENDATION 3:

Staff recommends that NUA approve the transfer of \$57,000 from Robinson Water Line Replacement, Construction (account 31996683-46101; Project WA0242) to Lindsey Water Tower, Construction (account 31993354-46101; Project WA0182) to provide funding for the demolition of the Lindsey Water Tower.