



## CITY OF NORMAN, OK STAFF REPORT

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**MEETING DATE:** 11/14/2023

**REQUESTER:** Kenneth J. Giannone, PE

**PRESENTER:** Kenneth J. Giannone, PE, Capital Projects Engineer

**ITEM TITLE:** CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AND/OR POSTPONEMENT OF AWARDING BID 2324-21, CONTRACT K-2324-70: BY AND BETWEEN THE CITY OF NORMAN UTILITIES AUTHORITY AND KRAPFF-REYNOLDS CONSTRUCTION CO. IN THE AMOUNT OF \$5,468,900.50, PERFORMANCE BOND B-2324-34, STATUTORY BOND B-2324-35, AND MAINTENANCE BOND MB-2324-23, FOR PROJECT WW0321, SEWER MAINTENANCE PROJECT (SMP) – 19, AND THE TRANSFER OF FUNDS AS OUTLINED IN THE STAFF REPORT.

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### **BACKGROUND:**

In 2001, the citizens of Norman approved a five dollar per month sewer maintenance fee to provide for the systematic replacement of aged and deteriorating neighborhood sewer lines. The FYE19 Sewer Maintenance Project (SMP-19) study area is shown on the attached map. After extensive study by Norman Utilities Authority's (NUA's) Engineer, Parkhill, and by NUA Sewer Line Maintenance Division and Utilities Engineering staff, the sanitary sewer lines within the study area were categorized into segments requiring replacement, rehabilitation using pipe-bursting, rehabilitation using cured-in-place-piping, or no action due to the pipe and appurtenances being in good condition.

As illustrated on the map, the SMP-19 study area is generally bounded by Lindsey Street to the north, 24<sup>th</sup> Avenue SW to the west, Highway 9 and Westbrooke Terrace to the south, and Berry Avenue to the east. It will replace over 32,000 linear feet (6.1 miles) of old sewer lines and rehabilitate or replace 162 manholes. For the large majority of the piping on the project, the selected contractor will install high-density polyethylene (HDPE) sewer pipe, primarily using the pipe-bursting technique. This technique allows long lengths of joint-less piping to be pulled into the old pipe at manholes and then burst with a bursting tool. Smaller quantities of pipe will be replaced by cured-in-place-piping techniques, in which a bladder infused with glass-reinforced plastic resin is pulled through the entire length of pipe being replaced and then cured using UV light, resulting in structurally-sound, smooth, jointless pipe within the existing pipe. With either method, house sewer service connections are then re-connected to the new pipe with approximately 565 private residences being affected.

### **DISCUSSION:**

The advertisement for bids was published in the Norman Transcript on September 14 and September 21, 2023, with bids received and opened on October 5, 2023. As shown in the attached bid summary, even though five (5) potential bidders attended the mandatory pre-bid meeting, only a single bid was received, from Krapff-Reynolds Construction Co (KRCC) of Oklahoma City, Oklahoma. NUA staff

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reached out to the other potential bidders to determine their reasons for not submitting bids. Two bidders cited heavy current workload that was scheduled to continue into 2024 and would, therefore, impede their ability to complete this project in a timely manner. Another bidder was based out of state and did not feel they could bid competitively against local contractors, and the last bidder determined that they could not meet specified experience requirements.

The bid included a Base Bid that covered all of the sanitary sewer to be replaced or rehabilitated on the project and two alternatives: Add alternate "A" covered an additive cost to video inspect all sewer laterals in the project area and Add Alternate "B" included the aforementioned sewer lateral inspection and an additional additive cost for a post construction TV inspection. Krapff-Reynolds Construction Co. submitted a base bid in the amount of \$5,315,677 and Add Alternates "A" and "B" in the amounts of \$153,612 and \$153,223.50, respectively. NUA's consultant, Parkhill, has evaluated the bid and they have deemed it to be competitive, in the best interest of the NUA, and the lowest and best bid for this project. NUA staff has also reviewed and concurs with this opinion.

NUA staff recommends award of the Base Bid and Add Alternate "B" to Krapff-Reynolds Construction Co. for \$5,468,900.50 ( $\$5,315,677 + \$153,223.50 = \$5,468,900.50$ ). Assuming NUA approval on November 14, 2023, the contract time for the Base Bid would likely start on December 4, 2023 with a projected work start of January 2, 2024, after allowing for approval and delivery of materials. The contract completion time is 550 calendar days so the project should be complete by June 6, 2025 (December 4, 2023 + 550 calendar days = June 6, 2025).

The current year budget for SMP-19 (project WW0321) includes an unencumbered balance of \$3,209,427 (Construction Account 32193338-46101) creating a shortfall of \$2,259,473.50 to fully fund the proposed contract amount of \$5,468,900.50. In order to fully fund the project and allow for a contingency of approximately 4%, staff recommends transfer of all \$2,470,000 from FYE24 Sewer Maintenance Project (WW0337) Construction Account (32193338-46101) to FYE19 Sewer Maintenance Project (WW0321) Construction Account (32193338-46101).

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:**

Staff recommends that the NUA accept Bid No. 2324-21 and award a contract for the Base Bid plus Add Alternate "B" in the amount of \$5,468,900.50 to Krapff-Reynolds Construction Co. of Oklahoma City, Oklahoma as the lowest and best bidder; authorize approval and execution of Contract K-2324-70 with the performance, statutory, and maintenance bonds in the amount of the contract, authorize the NUA to pay vendors for equipment and supplies for the FYE19 Sewer Maintenance Project, and budget transfer of \$2,470,000 as detailed above.