TO THE HONORABLE CHAIRMAN AND TRUSTEES

REPORT TO: STILLWATER UTILITIES AUTHORITY

No. SUA-16-16

ISSUED BY THE GENERAL MANAGER - STILLWATER, OKLAHOMA

Date of Meeting: March 7, 2016

Subject: Expenditure Approval: Construction Materials Testing

Background: During the construction phase of the new SEC project, construction materials testing services are required. These services include engineering, field, and laboratory services related to the testing of construction materials such as concrete, asphalt, and soil density.

In April 2015, construction materials testing specifications were prepared by the project engineering firm Burns and McDonnell (BMcD) and three quotes were gathered using the competitive price quote process specified in the purchasing manual. Unit pricing per individual test were specified and were included by each firm in their quotes. Burgess Engineering and Testing submitted the lowest quote and was administratively awarded the materials testing services. Since the quote was below the $50,000 administrative expenditure limit, approval for expenditures up to $50,000 was given per the guidelines in the purchasing manual.

Discussion: As the project has moved forward, significantly more testing has been required than originally estimated. On December 7, 2015, the Trustees approved an expenditure limit increase up to $75,000 to cover additional required testing. Since that approval, several factors have contributed to the need for additional testing such as density testing required due to reworking areas of the site after inclement weather.

An evaluation has been completed to determine how much more testing will be required. The expected quantity of tests needed to complete the project has been applied to each of the original quotes and it has been determined that Burgess Engineering would still be the lowest responsible provider.

		Burgess		EST		Terracon	
Test	**No.**	**Rate**	**Total**	**Rate**	**Total**	**Rate**	**Total**
Concrete Test (field)	20	$ 80.00	$ 1,600.00	$ 75.00	$ 1,500.00	$ 45.00	$ 900.00
Concrete Test (cylinders)	20	$ 60.00	$ 1,200.00	$ 60.00	$ 1,200.00	$ 45.00	$ 900.00
Asphalt Testing	50	$ 42.00	$ 2,100.00	$ 25.00	$ 1,250.00	$ 32.00	$ 1,600.00
Soil Density	200	$ 40.00	$ 8,000.00	$ 75.00	$ 15,000.00	$ 45.00	$ 9,000.00
Trip Charge	30	$ 30.00	$ 900.00	$ -	$ -	$ 205.00	$ 6,150.00
Final Report	1	$ -	$ -	$ 500.00	$ 500.00	$ 112.00	$ 112.00
Total Estimated Additional			$ 13,800.00		$ 19,450.00		$ 18,662.00
Spent to date			$ 75,000.00				
Contingency			$ 11,200.00				
Total funding request			**$ 100,000.00**				

The recommended expenditure limit includes the administratively authorized expenditures up to $50,000, the expenditure limit increase up to $75,000 approved by the Trustees on December 7th, and the expected amount for additional testing of $13,800 plus a contingency of $11,200.

Budget Impact: This item requires no new appropriation or budget amendment and will not affect year-end projected balances. Funding is available in the SEC project fund, which is held by the Bond Trustee bank.

Alternatives:

1. Approve an expenditure limit increase up to $100,000 for construction materials testing to Burgess Engineering and Testing. This will ensure adequate testing is performed for quality control and assurance purposes.
2. Do not approve the expenditure limit increase and direct staff to repeat the competitive price quote process. It was confirmed that the testing services provider's quoted prices are still the lowest, so it is unlikely that an additional competitive price quote process would yield different results.

Recommendation: It is recommended that the Trustees approve an expenditure limit of $100,000 for the construction materials testing package with Burgess Engineering and Testing.

Prepared by:	Loren Smith, Electric G & T Manager
Reviewed by City Manager's Office:	Dan Blankenship, SUA Director
Reviewed by City Attorney's Office:	John E. Dorman, City Attorney
Date of Preparation:	February 26, 2016

Submitted by:

Norman McNickle
General Manager