



**Meeting Date:** September 11, 2017

**Report No.** SUA-17-29

**Agenda Item No.** 2b

**Purpose:** Bid award recommendation for construction of a new transmission water line along S. Western Road and W. 32<sup>nd</sup> Avenue (SUA 15WC04) and replacement of an existing water line north of Sangre and 32<sup>nd</sup> Avenue (SUA 17WL01).

**Budget Impact:** No additional appropriations are necessary for this action. Construction for SUA Project 15WC04 will be funded with proceeds from the Water 2040 Package B Loan. This is the first DWSRF Package B funded project. Construction for SUA Project 17WL01 will be funded by the Water Capital Fund.

**Prior Council Action or Part of an Approved Project:** Yes

**Related Items:** Southwest Zone (Phase 1) Water Distribution Improvements, December 17, 2012, SUA-12-42 (Attached)

Professional Services Agreement for Program Management, Design, and Construction Management for the Southwest Zone (Phases 2 & 3) Water Distribution Improvements, February 4, 2013, SUA-13-05 (Attached)

Water 2040 Implementation Plan III, February 1, 2016

[SUA-16-10](#) [Info Memo](#) [Att I](#) [Att II](#)

Water 2040 Resolution of Reimbursement for Package B, May 2, 2016

[CC-16-53](#) [Att I](#) [CC-2016-15/SUA-2016-3](#)

A Resolution authorizing the filing of an application with the Oklahoma Water Resources Board for Water 2040 Package B Financing, March 20, 2017

[CC-17-35 / SUA-17-04](#) [CC-2017-2/SUA-2017-1](#)

Letter of Binding Commitment with Drinking Water State Revolving Fund for Water 2040 Package B loan of \$12.6 million, September 11, 2017, SUA-17-28 (Item 5a on this agenda)

SUA Resolution 2017-6 accepting a \$12.6 million loan from the Oklahoma Water Resources Board (Item 6a on this agenda)

City's Website Page for Water 2040  
[Water 2040 Description](#)

**Alternatives:** The alternatives include:

- Award the projects to the lowest responsible bidder.
- Reject all bids and re-bid the projects. The current bid prices are competitive and low relative to the engineer's estimate.
- Cancel the project. Installation of these water lines is critical for improving and maintaining distribution to the Deer Crossing and Woodland Trail areas, which are currently served by a temporary booster pump station.

**Recommendation:** Staff recommends that the Trustees:

- Award the bid to the lowest responsible bidder, McKee Utility Contractors, Inc. (McKee), in the amount of \$4,364,910;
- Authorize staff to execute the construction contract for the above amount;
- Authorize staff to procure services for construction inspection and testing in an amount not to exceed \$87,000 (2% of construction costs); and
- Authorize \$4,897,101 in total projects expenditures, which includes construction, inspection and testing, and a 10% contingency (\$445,191).

**Prepared by:** Eric Fladie, Senior Project Manager, Water Resources Department

**Reviewed by:** William Millis, WR Director

**Reviewed by:** Dan Blankenship, Deputy City Manager

**Submitted by:** Norman McNickle, City Manager

**Attachments:** SUA-12-42  
SUA-13-05  
Engineer's Bid Award Letter August 17, 2017  
Location Map

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**Background Information:** On February 1, 2016, Trustees authorized Water 2040 Implementation Plan III. Project 15WC04 is priorities 8 & 9 for the Water 2040 Program.

During the summer of 2016, Field Services responded to numerous water main breaks along a 1,300-foot section of line along the east side of South Sangre Road, north of 32<sup>nd</sup> Avenue. These breaks became frequent and significantly impacted water service to nearby neighborhoods. Although crews were able to successfully repair the leaks, it was determined that the old pipe is severely degraded and needs replaced to prevent future, more significant interruptions. Since this section of water line is directly adjacent to the Water 2040 project and complimentary in nature, they were designed and bid together. This is the most efficient and cost effective delivery approach resulting in economy of scale savings for consultant design and contractor construction.

The bid package was initially advertised beginning July 11, 2017 and bids were opened on August 9, 2017. Eight bids were received and are summarized below along with the Engineer's estimate.

<b>Bidder</b>	<b>Amount</b>
<i>Engineer's Estimate - CH2M HILL</i>	<i>\$ 4,930,000.00</i>
Webb Construction, Inc.	\$5,265,515.49
McKee Utility Contractors, Inc.	\$4,364,910.00
McGuire Brothers Construction, Inc.	\$5,818,000.00
Cimarron Construction, LLC.	\$5,810,550.00
Matthews Trenching, Inc.	\$5,824,750.00
BRB Contractors, Inc.	\$5,016,550.00
KAJACS Contractors, Inc.	\$4,874,225.00
Crossland Heavy Contractors, Inc.	\$4,498,500.00

The design engineer reviewed McKee's bid package and recommended that McKee be awarded the contract based on assessment of their qualifications, experience in successfully completing water distribution work of similar size and type of construction, and feedback from ODEQ and other Oklahoma municipal references.

Construction inspection services are needed for this project due to the use of a specialized large diameter pipe boring technique for installation next to pond dams and congested underground utility areas.