



REPORT TO: STILLWATER UTILITIES AUTHORITY

MEETING DATE: NOVEMBER 18, 2019

Agenda Item:	5d. SUA-19-39
Prior Council Action/Related Items: (Hyperlinks Or PDF)	SUA-17-01 WTP Project Agreement with Black and Veatch SUA-18-34 PSA Amendments 3 & 4 with Black and Veatch CC-18-118 Approval to apply for OEM Grant for WTP Generator CC-19-91 Approve OEM grant for WTP Generator Project Webpage
Background / Issue:	<p>The Water Treatment Plant currently does not have reliable backup power in the event of a disruption of electrical service due to ice accumulation on power lines, high winds or other factors. Possible alternatives for emergency power were investigated with installation of a new emergency generator chosen as the best alternative.</p> <p>Previously, the Stillwater Utility Authority and the City Council approved an application and agreement for a grant from the Oklahoma Department of Emergency Management (OEM) and Federal Emergency Management Agency (FEMA), which will offset the project costs by up to 75%.</p>
Proposal/Solution:	<p>The initial advertisement for bids was September 15, 2019 and included a two-step bidding process:</p> <ul style="list-style-type: none"> • The first step required prospective bidders to submit a statement of qualifications (SOQs) for all work to be performed for the project. Five SOQs were received and reviewed. Of those, Crossland, Walters-Morgan, McDonald Municipal & Industrial and Shawver Electric were deemed qualified. • The second step involved actual bid submittal. Crossland, Walters-Morgan and McDonald all submitted bids. • Bids were opened on October 30, 2019, and are summarized below, including the Engineer's estimate.

Bidder	Amount
<i>Engineer's Estimate - Black & Veatch</i>	\$4,063,541
Crossland Heavy Contractors	\$2,605,000
McDonald Municipal & Industrial	\$3,048,469
Walters-Morgan Construction	\$2,943,000

Crossland Heavy Contractors is determined to be the lowest responsible bidder and were recommended for award by Black & Veatch.

Additional costs related to construction of the project (and eligible for grant reimbursement) include:

- general inspection at \$105,000;
- an OWRB-offered management service for monitoring the Contractor's compliance with the Davis-Bacon Act, an OEM/FEMA requirement, at \$1,440;
- construction administration, \$138,463 (already on contract with Black & Veatch);
- special inspections, \$13,300 (already on contract with Black & Veatch).

The following proposed alternatives are available:

- Award the construction contract to the lowest responsible bidder, Crossland Heavy Contractors.
- Reject all construction bids and re-bid the project. The current bid prices are competitive and lower than the engineer's estimate; re-bidding is unlikely to result in a reduction in cost.

Financial Impact/Funding Source(s):

Funds for the project will be appropriated from the Water Fund, which contains sufficient funds to complete the work. The OEM/FEMA grant will provide reimbursement for up to 75% of construction expenditures related to the project.

Related Strategic Priority:

#1 Effective Services & Accountable Government: To provide effective services and accountable government for all citizens by practicing fiscal responsibility, transparency and outstanding customer service.

#4 Place & Mobility: To develop a strong sense of place that recognizes the interconnectedness of people, buildings and public systems (such as transportation, utilities and parks) that best serve the needs of the public.

Recommended Action/Motion:

Motion to:

- award the bid to Crossland Heavy Contractors in the amount of \$2,605,000;

	<ul style="list-style-type: none"> • authorize General Manager to execute the contract documents; • authorize General Manager to execute an agreement with East Breeze Construction Services, LLC for inspection services in the amount of \$105,000; • authorize expenditures of \$1,440 to Oklahoma Water Resources Board for the use of an online program for management of the payroll submittals for the Davis-Bacon Act; • authorize total project expenditures of \$2,982,584, which includes construction, inspection, Davis-Bacon management and a 10% contingency (\$271,144), with up to 75% (\$2.2M) being reimbursed by OEM; and • approve the attached budget amendment.
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Reviewed By:	Bill Millis, Director, Water Utilities Engineering Paula J. Dennison, Assistant City Manager
Submitted By:	Norman McNickle, City Manager
Attachment(s):	Budget Amendment