

Elliott & Hughes, Inc.

Engineers/Planners

August 9, 2010

City of Euless
201 North Ector Drive
Euless, Texas 76039

Attention: Mr. Allen J. Harts, P.E.
Senior Civil Engineer

Re: Sanitary Sewer Collection System Rehabilitation
FY 2010--City of Euless Bid No. 010-10

Dear Mr. Harts:

Our firm completed the civil engineering design and construction plans and prepared contract documents for the above captioned improvements. An official "Advertisement for Bid Notice" was published by the City of Euless Purchasing Department. The plans and documents were available for review in our offices, the City of Euless Engineering Department, and in area plan rooms. Sets of documents for bid purposes were available from the Director of Purchasing. Sealed bids for the construction were received and publicly opened and read aloud at 2:15 PM, June 9, 2010. A copy of the Bid Summary Sheet is attached to this correspondence for your review.

Five (5) sealed bids were submitted. They ranged from a low bid of \$240,036.00 submitted by PM Construction and Rehab, LP, of Pasadena, Texas; to a high of \$367,746.60 submitted by Hall Albert Construction, LP, of Benbrook, Texas. The engineer's estimate of cost for the construction was \$467,998.00.

It is our opinion that the bid of PM Construction and Rehab should be rejected. This recommendation is primarily based on their record of performance on the current contract for construction of the FY 2008-2009 Sanitary Sewer Collection System Rehabilitation. The project was contractually scheduled for completion on June 28, 2010. No requests for additional time have been received by the City. The City of Euless Inspector's Diary indicates June 30, 2010 as the last day the contractor's or sub-contractor's personnel were present on the project. A deficiency or "punch" list, developed through review of closed circuit television inspections of the pipelines and a cursory field inspection, has been furnished to the contractor for resolution. A majority of the problems discovered are considered the result of failure to adhere to the requirements of the construction plans and contract documents. Inadequate project management, including delays in responding to inquiries by City staff members, and the absence of full time supervision of the contractor's personnel and their sub-contractors, further contributed to the current construction problems. Correction of numerous items will again require interruption of vehicular traffic on public streets, inconvenience and/or disturbance of residents and their private property, and expense to the City for additional inspection and administrative services.

We recommend that a construction contract be awarded to the second lowest bidder, Circle "C" Construction of Fort Worth, Texas in the amount of their bid of \$268,354.00. Completion time was set in the documents at 90 calendar days.

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As a matter of information, Circle "C" Construction (William J. Schultz, Inc. dba Circle "C" Construction) has been involved in rehabilitation of sanitary sewer facilities utilizing trenchless technology methods for a number of years. They have been in the underground utility construction business since 1974. Their projects range in cost from \$250,000 to \$7,500,000; with their average annual volume ranging from \$14 to \$18 million dollars. They currently operate two (2) trenchless technology (pipe bursting) crews in addition to their other operations. While the majority of their work has been in the City of Fort Worth, they have recently completed pipe bursting projects in Mesquite and Arlington. Representatives of the cities have advised us that they have had no problems with the contractor and they find them to be very professional in performance of their work. Circle "C" currently is installing the reclaimed water delivery system to the Texas Star Golf Course for the City of Euless.

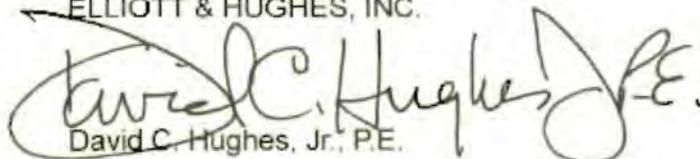
Representatives of Circle "C" advised us that they have reviewed the unit prices of their bid as well as those of the other bidders and they are comfortable with their bid prices as submitted.

Surety bonds (performance, payment, and maintenance bonds) are underwritten by ICW Group of San Diego, California. The local agent is John Miller and Associates of Fort Worth. According to the Surety's agent, no claims have been made to the Surety under any of the bonds written to Circle "C".

The project is located in two (2) geographic areas of the City as indicated on the enclosed area location map. It generally includes replacement by up-sizing deteriorated 6-inch vitrified clay tile and/or concrete pipe with 8-inch polyvinyl chloride pipe and/or high density polyethylene pipe by traditional open-trench, and pipe bursting (trenchless technology) methods. Reconnection of individual sewer services, replacement and/or rehabilitation of manholes, and other incidental construction items required for a complete project are included.

We trust the foregoing will be beneficial to you as you prepare your final recommendations on this project. We appreciate very much the opportunity to be of service to you and the City of Euless and respectfully invite you to contact us should you have questions or if we may provide additional information.

Very truly yours,
ELLIOTT & HUGHES, INC.

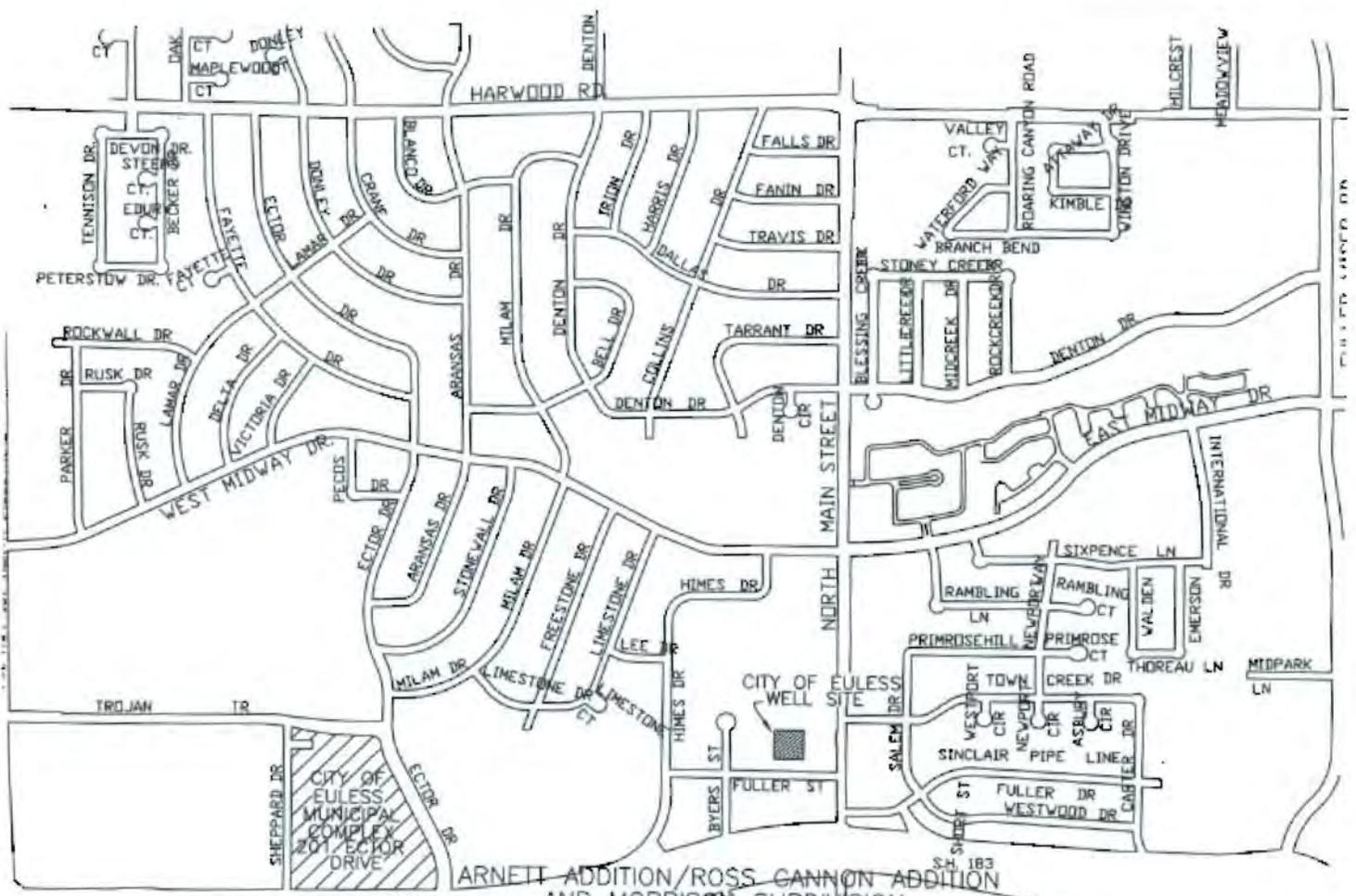

David C. Hughes, Jr., P.E.

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Enclosures

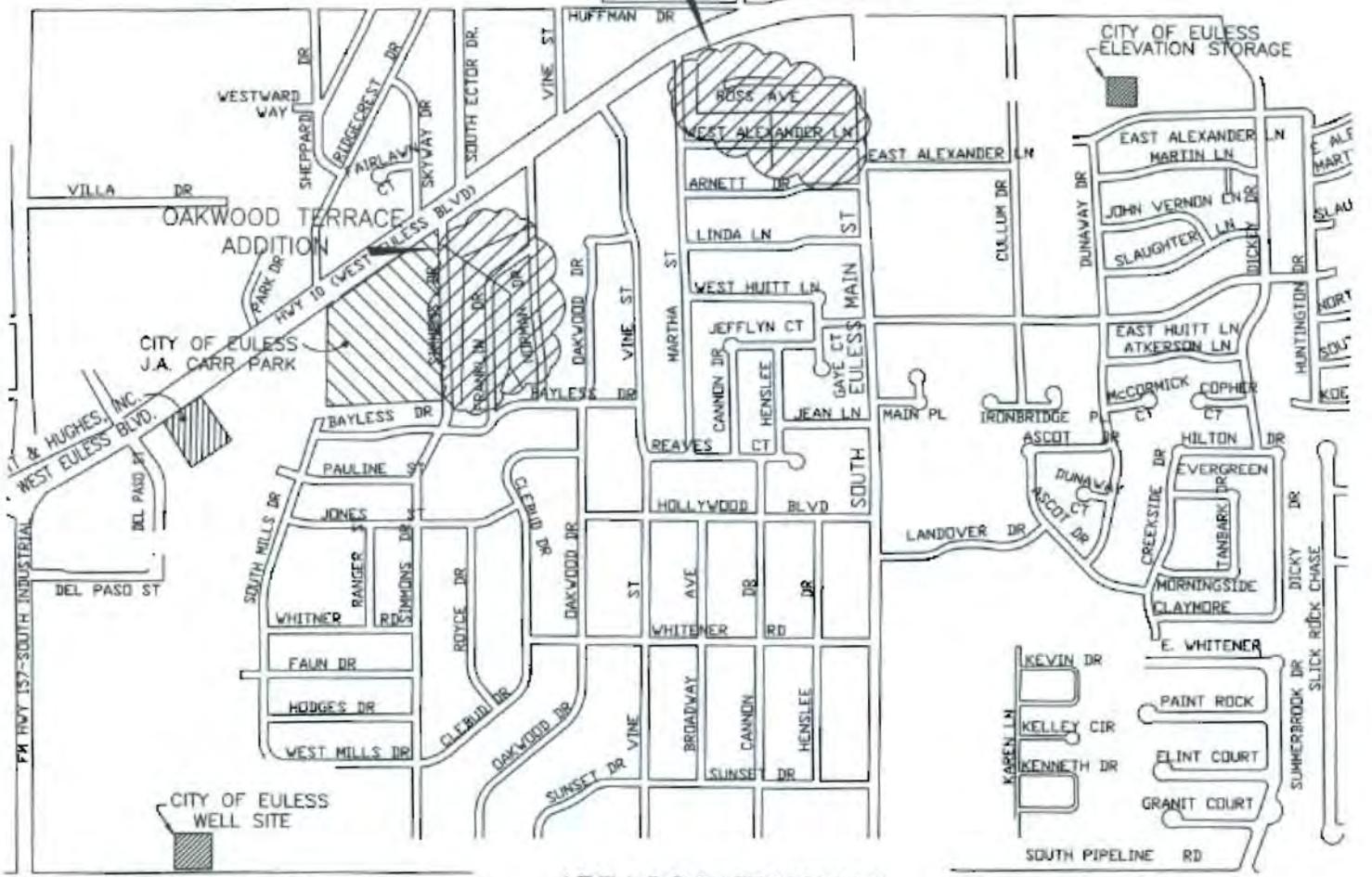


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S.H. 183

ARNETT ADDITION/ROSS CANNON ADDITION AND MORRISON SUBDIVISION



SOUTH PIPELINE RD

**AREA LOCATION MAP
FY 2010~BID NO. 010-10**