



CITY COUNCIL COMMUNICATION

June 28, 2016

SUBJECT: Award a Construction Contract to William J. Schultz Inc. dba Circle C Construction for the Sanitary Sewer Collection System Rehabilitation project in the Green Hills Park Addition.

SUBMITTED BY: Hal Cranor, Director of Public Works

REFERENCE NO: Bid No. 011-16

ACTION REQUESTED:

Consider award of Bid No. 011-16 for a construction contract to William J. Schultz Inc., dba Circle C Construction, for the replacement of sanitary sewer mains in portions of the Green Hills Park Addition and authorize the City Manager to enter into a contract with William J. Schultz Inc., dba Circle C Construction.

ALTERNATIVES:

- Table the request
- Deny the request

SUMMARY OF SUBJECT:

Residential sanitary sewer mains located in the Green Hills Park Addition are in need of replacement due to their existing deteriorating condition or due to their inadequate size. With the installation of new 8" lines by the pipe bursting method, the capacity of the mains will be increased to help prevent blockages.

The project includes the rehabilitation of sanitary sewer lines servicing the Green Hills Park Addition between Crane Drive and Glenn Drive north of Harwood Road.

Bids were received from five (5) companies and were opened on June 9, 2016. The low bid in the amount of \$169,498.00 was submitted by King Solution Services of Houston, Texas. King Solution Services has not provided an acceptable experience record. There is no record of this contractor completing a project of similar type and scope. The bid received is 32% below the second bidder, and 35% below the engineers estimate. There is a concern of contractor's ability to successfully complete the project for the unit prices bid.

Therefore, we recommend awarding the contract to the second bidder, William J. Schultz Inc., dba Circle C Construction, in the amount of \$251,020.00.

The construction costs for bid exceeds the amount in the budget by \$31,020.00. The scope of the project has been expanded to include a 240 foot section of pipe to the east of Aransas Drive that needs repair. This increased the cost of the project by \$15,879.00.

Staff has reviewed the bid tabulation and based on supporting documentation from Elliott and Hughes, Inc. recommends that the City award a construction contract to the low bidder, William J. Schultz Inc., dba Circle C Construction.

FINANCIAL CONSIDERATIONS:

Revenue Sources: Project Nos. WW1601, FB9901

Expenditure Accounts: 502-8006-531.73-04

Budgeted Fiscal Year(s): FY2016

Budgeted Expenditure: \$220,000

Estimated Expenditure: \$251,020

Over/Under Projection By: \$ 31,020

Other Comments: The overage in the construction cost to be covered by the unused funds from the FY 2015 Sanitary Sewer project and from the Miscellaneous Sanitary Sewer fund.

SUPPORTING DOCUMENTS:

- Letter: Elliott and Hughes, Inc.
- Bid Summary

APPROVED BY:

_____ **LG** _____ City Manager's Office

_____ **KS** _____ City Secretary's Office