



STAFF REPORT

DATE: November 13, 2018

TO: Ronald L. Olson, City Manager

FROM: David A. Olson, Executive Director of Public Works

SUBJECT: Authorize the Award of a Construction Contract with Barsh Company to Construct the Downtown Streetscaping Phase II Project

BACKGROUND AND FINDINGS:

In June 2014, the Downtown Streetscaping Phase I project was completed. Phase II was bid in June 2015, and subsequently bids were rejected in December 2015 due to lack of funds for the bids that were over the estimated project cost.

In January 2014, the Killeen Economic Development Corporation (KEDC) approved a Performance Agreement with Solix, Inc. to lease a building at 402 East Ave. D. As part of the agreement, the KEDC paid the City of Killeen a portion of the costs for the Downtown Streetscaping Phase II.

On February 6, 2018, the City of Killeen entered into a Professional Services Agreement with Quintero Engineering, LLC to provide surveying and engineering services for the redesign of the Downtown Streetscaping Phase II project (Project).

On October 14, 2018 and October 21, 2018, advertisements for bids were posted. On November 1, 2018, two bids were opened for the contractors that submitted bids for the Project. The bids are as follows:

BIDDERS	BID
Barsh Company	\$440,227.90
TTG Utilities, LP	\$554,003.05

The Engineer's Estimate is \$363,633.32, which is approximately 18% lower than the apparent low bid. This difference is due to the increase in material costs.

THE ALTERNATIVES CONSIDERED:

There are three alternatives to consider:

- 1) The City can elect to reject all bids and shelve the project. This option would not satisfy the contribution of funding made by KEDC or the performance agreement approved by City Council.
- 2) The City can elect to rebid the project; however, there is no indication that the city would receive better pricing with a rebid.
- 3) The City can award a construction contract with Barsh Company for the construction of the Downtown Streetscaping Phase II project.

Which alternative is recommended? Why?

City staff recommends that City Council award a construction contract to Barsh Company in the amount of \$440,227.90 for the following reasons:

1. Barsh Company has extensive experience with the construction of gutters, sidewalks and streets.
2. Barsh Company has done very good work in the construction of other projects for the City of Killeen.
3. The City of Killeen has entered into a Memorandum of Understanding with KEDC to pay an amount up to \$300,000 to fund the design and construction of the Project.
4. Quintero Engineering, LLC, the design engineering firm on this project, recommends the award of a contract to Barsh Company.

CONFORMITY TO CITY POLICY:

Authorizing a construction contract with Barsh Company for the construction of the Project conforms to all State and City purchasing policies.

FINANCIAL IMPACT:**What is the amount of the expenditure in the current fiscal year? For future years?**

Funding for this project is available in the amount of \$440,227.90 through Capital Improvement Fund, Account Number 349-3435-432.69-03. This amount of expenditure is available in the current fiscal year.

Is this expenditure budgeted? If not, where will the money come from?

This expenditure is budgeted.

Is there a sufficient amount in the budgeted line-item for this expenditure?

Yes, there is a sufficient amount in the budgeted line-item for this expenditure.

RECOMMENDATION:

Staff recommends that the City Council authorize the City Manager or designee to enter into an agreement with Barsh Company for a construction contract to construct the Downtown Streetscaping Phase II project in the amount of \$440,227.90, and that the City Manager or designee is expressly authorized to execute any and all changes within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Public Works
Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Bid Proposal

Bid Recommendation Letter

Bid Summary

Certificate of Interested Parties