



STAFF REPORT

DATE: August 17, 2021

TO: Kent Cagle, City Manager

FROM: Tony McIlwain, Executive Director of Development Services

SUBJECT: Authorize the rejection of all bids for Bid 21-16 Valley Ditch Phase 1 - B.N.S.F. Railroad Drainage Improvements Project.

BACKGROUND AND FINDINGS:

The City published the bid for Valley Ditch Phase 1 - B.N.S.F. Railroad Drainage Improvements project on April 25, 2021, with Addendums #1 & 2, and the City received competitive bids from three contractors. The bids, opened and read aloud through zoom online video conferencing on July 9, 2021, are as follow:

Bidders	Total Bid Amount
Jerdon Enterprise, LP	\$1,439,338.00
Digg Commercial, LLC	\$1,248,444.00
Anderzack - Pitzen Construction	\$1,565,980.00

Engineer's estimated probable costs were \$852,500.

THE ALTERNATIVES CONSIDERED:

1. Reject all Bids and do not move forward with the construction of Valley Ditch Phase 1 - B.N.S.F. Railroad Drainage Improvements Project at this time.
2. Award a construction contract to lowest responsible bidder, Digg Commercial, LLC, for the construction of Valley Ditch Phase 1 - B.N.S.F. Railroad Drainage Improvements Project.

Which alternative is recommended? Why?

Alternative "1" is recommended because:

- a. Although Digg Commercial appears to be the lowest responsible bidder, their proposal was over the Engineers Probable Cost Budget.
- b. Walker Partners, L.L.C., the design engineering firm on this project, recommended the contract be awarded to Anderzack-Pitzen Construction because of their specialized experience with construction on BNSF railroads. Anderzack- Pitzen Construction, was the highest bidder.
- c. Staff recommends all bids be rejected due to budget constraints and fluctuating market conditions of the materials. The bid documents allow the City to reject all or any part of the bid proposals.

CONFORMITY TO CITY POLICY:

This resolution conforms to city policies and Texas Local Government Code, Section 252.043.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

There is no fiscal impact associated with this action.

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

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

There isn't a sufficient amount of funding in the line item account to support this expenditure at this time.

RECOMMENDATION:

City Staff recommends that the City Council reject all bids for Bid 21-16 Valley Ditch Phase 1 - B.N.S.F. Railroad Drainage Improvements Project.

DEPARTMENTAL CLEARANCES:

Finance
City Attorney

ATTACHED SUPPORTING DOCUMENTS:

Bid Tabulation