



Memorandum

Date: August 6, 2014
To: Mayor Keil and the Seguin City Council
From: Pamela Centeno
Director of Planning and Codes
RE: Contract Award for OVN Decommissioning 319(h) Project

The City of Seguin received two (2) bids for the re-bid for decommissioning of on-site sewage facilities (septic tanks) in the Oak Village North (OVN) Subdivision on July 29, 2014. The purpose of the bid was to select a qualified contractor to furnish all labor, equipment, materials, supplies, transportation, and superintendence necessary to decommission up to 150 on-site sewage facilities (OSSF) located on private properties in the Oak Village North Subdivision. The decommissioning process is being funded by a matching 319(h) grant from the U.S. Environmental Protection Agency (EPA) through the Texas Commission on Environmental Quality (TCEQ). Throughout the bidding process, City staff has been coordinating with TCEQ, Councilman Pees, and two of the residents on the OVN Committee to ensure a qualified bidder is selected for this project.

The two bids received are as follows:

- Stewart Plumbing with a unit price per septic tank of \$2,285.00.
- Pendleton Excavation with a unit price per septic tank of \$3,128.63.

As specified in the bid documents, one of the qualifications for the award of the bid is the capability and experience of the bidder to perform the project described. While both bidders have direct experience decommissioning septic tanks, there is a significant gap in cost between the low bidder and the high bidder. The amount currently budgeted in the 319(h) Grant for the decommissioning contract is \$225,000. Registrations forms were received for 130 septic tanks to be commissioned as part of this project. Accepting the low bid as submitted will cause significant cost overruns due to budget constraints. Staff is currently working with TCEQ to make a contract amendment to increase the budget line item for the contract. In addition, staff is requesting that Council grant the City Manager authority to negotiate a price with the low bidder, Stewart Plumbing. Attached please find a resolution authorizing the City Manager to enter into a contract with Stewart Plumbing following the negotiation of deduct change orders.