

## MEMORANDUM

TO: Mayor Don Keil  
Seguin City Council  
Douglas Faseler, City Manager

FROM: Joe Ramos, City Engineer *J. Ramos*

SUBJECT: SH 123 Utility Extension Project  
Award of Bid

DATE: May 15, 2014

In December 2013, the City of Seguin entered into an Interlocal Agreement for Cost Sharing (see attachment) with the Seguin Economic Development Corporation (SEDC) and the Helmerich & Payne, Inc., (H & P), for the extension of water and sewer utilities along State Highway 123. See the attached map. Per the agreement, SEDC and H & P each agreed to pay one-third of the City's costs of the project up to \$118,312. If the project exceeded the estimated amount of \$354,936, each party would be responsible for one-third of the additional costs.

Subsequently, the project was placed out to bid and on May 13, 2014, eight (8) bids were received ranging from a low bid of \$397,354.00, from Nelson Lewis, Inc. to a high bid of \$876,388.50, from Horseshoe Construction, Inc. TRC has verified references for Nelson Lewis, Inc., and has found no negative comments for their past workmanship. See their attached recommendation letter and bid tabulation. Therefore, Staff recommends City Council award the SH 123 Utility Extension Project to Nelson Lewis, Inc., in the amount of \$397,354.00.

With acceptance of this bid, the known and estimated project expenses are as follows:

Construction Contract	\$397,354
Construction Contingency (est.)	\$ 20,000
Engineering	\$ 48,561
Easement Appraisal/Acquisition (est.)	<u>\$ 25,000</u>
<b>Sub-Total</b>	<b>\$490,915</b>
Less Springs Hill Water Main	
Oversizing Contribution (per contract)	<u>\$ 23,275</u>
<b>Total</b>	<b>\$467,670</b>

The available funding approved in the Utility Capital Projects and SEDC budgets, and by H & P totals \$354,936. Based on this the City, SEDC and H & P will each be responsible for funding an additional \$37,568. These amounts will be included in a future budget revision for approval.

Staff recommends approval of the Nelson Lewis, Inc., bid of \$397,354 at this time.

Cc: Rick Cortes  
Terry Trevino  
Nathan Garza