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January 16, 2020

Ms. Patricia Davis, P.E.
City of Pflugerville
City Engineer
15500 Sun Light Near Way #B
P.O. Box 589
Pflugerville, Texas 78660-0589

Re: City of Pflugerville
West SH-130 Interceptor Phase I
Recommendation to Award Contract

Dear Ms. Davis:

On January 15, 2020, DCS Engineering (DCS) assisted the City of Pflugerville in opening bids for the above referenced project. Six bid proposals were received with total Base Bids ranging from \$11,598,970.14 to \$18,355,993.00 which utilized fiberglass reinforced pipe material; and Alternate Bid No. 1 ranged from \$11,970,954.14 to \$19,125,528.00 which utilized PVC pipe material (see attached Bid Tabulation). The final engineer's opinion of most probable cost for the Base Bid was \$13,134,000. The amount the City of Pflugerville budgeted for construction of this project was \$15,000,000.

The scope of work for this project consists of furnishing of all labor, material, tools, and equipment for 1,700 linear feet of 30" wastewater line, 5,000 linear feet of 33" wastewater line, 3,000 linear feet of 36" wastewater line, 3,900 linear feet of 42" wastewater line, and 1,900 linear feet of up to about 70 ft deep 42" diameter tunneled wastewater line with three access shafts of up to 70 ft deep. The size, complexity, and installation depth of this project, notwithstanding the importance to the City for the project to remain on schedule to bring service to the west side of the SH-130 corridor, elevate the importance of this project to meet or exceed the standards of quality of the City so it achieves its longest service life and avoid costly premature replacement or rehabilitation of this wastewater interceptor.

Excel Aircraft, LLC DBA: Excel Trenching from Carthage, Texas had the lowest bid of \$11,598,970.14. DCS has reviewed the bid proposal submitted by Excel Aircraft, LLC DBA: Excel Trenching and found it to be incomplete on two items: the required City of Pflugerville Bid Bond Form was not used (the Bid Bond was submitted on a non-City form); and the total sum for tax exempt and taxable products, materials, and services does not equal the contract sum on the State of Texas Tax Code, Chapter 151 Compliance Certificate. DCS obtained a Dun and Bradstreet Business Information Report for the company. The report stated that Excel Aircraft, LLC has a moderate to high probability of severe delinquency. Excel Trenching has listed Circle H Contractors, LP as the sub-contractor for the tunneling portion of the above project which represents 35.4% of the total Base Bid amount. The projects listed for their experience are of a much smaller scale, construction cost, and complexity than West SH-130 Interceptor Project. DCS called the three project references supplied for Circle H Contractors per Section 00400 – Trenchless Construction Contractor's or Subcontractor's Experience and Qualifications. Two of the three references gave unfavorable recommendations for work completed for them and/or for a project of the size and/or complexity of the West SH-130 Interceptor Project. It should be noted here that Alternate Bid No. 2 for on-site disposal versus off-site disposal of spoil materials would result in a \$6,084 increase for a total cost of \$11,605,054.14.

DCS also reviewed the second lowest bid of \$12,990,282.04 submitted by S.J. Louis Construction of Texas, Ltd. and found it to be accurate and complete. DCS obtained a Dun and Bradstreet Business Information

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Report for S.J. Louis Construction of Texas, Ltd. The report stated that S.J. Louis has a low to moderate probability of severe delinquency. S.J. Louis has listed LP Sundance Construction, Inc. as the sub-contractor for the tunneling portion of the above project which represents 35.6% of the total Base Bid amount. The projects listed for their experience are of the same or a larger scale, construction cost, and complexity than West SH-130 Interceptor Project. DCS called the three project references supplied for LP Sundance Construction per Section 00400 – Trenchless Construction Contractor's or Subcontractor's Experience and Qualifications. Two of the three references gave very favorable recommendations for work completed for them and/or recommended them for a project of the size and complexity of the West SH-130 Interceptor Project. The third reference had not yet responded at the time of this letter's completion (about 24 hours after the bids were opened). It should be noted here that Alternate Bid No. 2 for on-site disposal versus off-site disposal of materials would result in a \$79,092 decrease for a total cost of \$12,911,190.04.

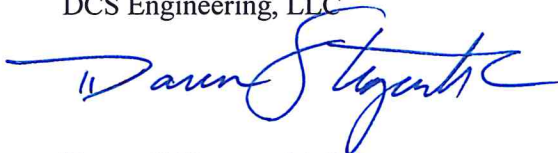
As stated in the Invitation to Bidders and Instruction to Bidders in the Contract Documents, the "City of Pflugerville reserves the rights to reject any and all bids and to waive any informalities in bids received; to eliminate a portion of the work or add additional work as required to keep the total contract amount within the funds budgeted; the right to award any parts or combination of parts of the project it deems necessary; and any other rights established under the laws of the State of Texas."

Based on the information presented, S.J. Louis Construction of Texas, Ltd. bid amount of \$12,990,282.04 is \$1,391,311.90 more than Excel Trenching's Base Bid amount of \$11,598,970.14. We respectfully request that the City Council consider the information provided in this letter to select the lowest responsible bidder who meets the City's risk, quality, construction cost, qualifications, and schedules needed to serve the interests of the City's citizens.

If you have any questions, please call me at (512) 614-6171.

Sincerely,

DCS Engineering, LLC



Darren C Strozewski, P.E.
Project Manager

Enclosures

