



Memo

To: Clay Pearson, City Manager
 From: Susan Johnson, Project Manager
 CC: Trent Epperson, Assistant City Manager
 Eric Wilson, Director of Public Works
 Robert Upton, Director of Engineering
 Skipper Jones, Assistant Director

Date: May 4, 2017

Re: Linwood, E. Orange, Old Alvin Drainage and Roadway Improvements – Packages 1 & 2

5/4/17
 To: Mayor and City Council members
 FYI on the drainage and roadway improvements that have been bid. The low apparent contractor does not have the experience necessary and we will be recommending SER Construction. Although higher than the submitted low bid, the amount is still below construction dollar estimate and will give a better opportunity for quality final product. The engineer's construction estimate was \$7 million, so we are still very good on that. Clay

This memo provides an update on the bid phase of combined Packages 1 & 2 of the Linwood, E. Orange, Old Alvin Drainage and Roadway Improvements project. Packages 1 & 2 include Linwood Street, E. Orange Street between SH 35 and Schleider, and Old Alvin Road between Plum and Town Ditch.

Background:

ARKK Engineers, LLC was awarded a professional services contract for engineering design for this project in June 2016.

Package 1 (Linwood, East Orange between Galveston and Old Alvin and Old Alvin between Plum and Town Ditch) was combined with Package 2 (E. Orange between SH 35 and Galveston, and between Old Alvin and Schleider) to allow the two noncontiguous segments of E. Orange to be included with the larger Package 1, encouraging economies of scale and construction/ traffic controls coordination.

Contractor Selection:

The Linwood, E. Orange, Old Alvin Project, Packages 1 & 2, advertised for bids on March 29, 2017 and April 5, 2017, with 14 potential bidders attending the mandatory pre-bid conference held on April 6, 2017. Bids were received until 2:00 p.m. on April 20, 2017 and then read aloud in Council Chambers. Five bids were received as follows:

A Status Construction	\$ 5,260,185.00
SER Construction Partners, LLC	\$ 5,792,595.50
Conrad Construction Co., Ltd.	\$ 6,390,560.00
Angel Bros. Enterprises, Ltd.	\$ 6,888,491.00
Triple B Services, LLP	\$10,004,091.85

This project includes multiple challenges including traffic control to keep Fire Station 1 in service 24/7, construction in an established residential neighborhood, as well as coordination with the Orange Street Service Center Renovation Project and with the public to maintain traffic movement throughout the project vicinity.

In reviewing A Status Construction's bid package, it appears that they have not demonstrated a history of experience in roadway and drainage projects of this complexity, scope, and value. Further investigation by the City's design consultant, ARKK Engineers, of the referenced projects in the bid submittal package has determined that the contractor's actual role and level of effort was not as represented. Additional details of the design engineer's reference checks and bid evaluation are in the attached ARKK Engineers Letter of Recommendation. Therefore, due to findings of the reference investigation, staff and the consultant recommend rejection of A Status Construction's bid.

The recommendation is to award the contract to the second lowest bidder, SER Construction Partners, LLC (SER) in the amount of \$5,792,595.50. SER has successfully completed multiple projects for the City, such as Regency Park Subdivision Roadway Reconstruction, Old Alvin 20" Waterline (McHard Rd to John Lizer), and Kirby Drive Expansion (Broadway to CR59). This work was performed in a timely and satisfactory manner, and staff has been satisfied with SER's quality and performance on these projects. The City's consultant checked SER's current references submitted with the bid package and determined that they have also successfully completed similar paving and utility projects of equal or greater value for several other municipalities including; the City of Houston, Texas City, City of Humble, and West University Place.

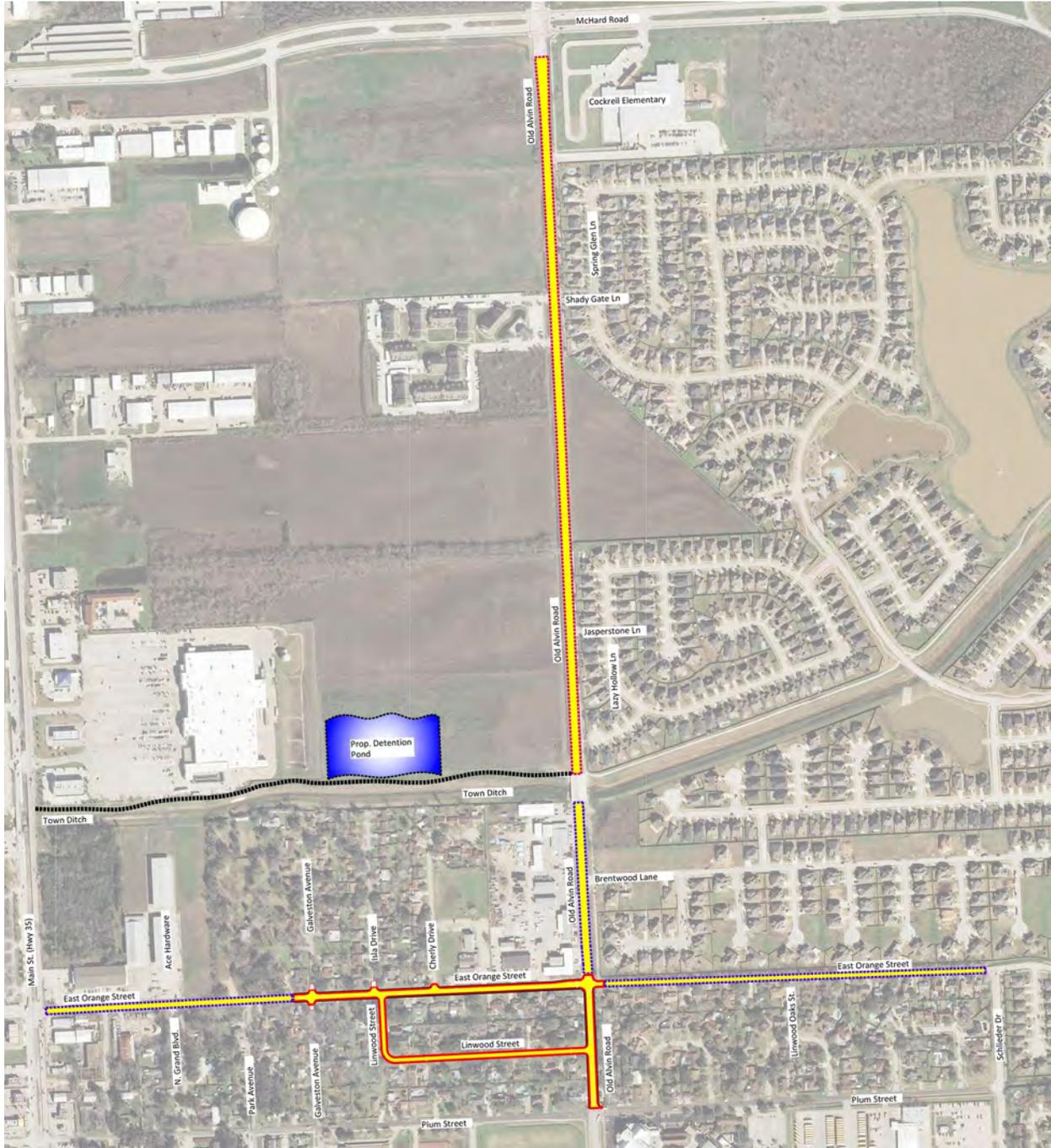
Schedule:

Construction duration is anticipated to be 15 months with substantial completion in August of 2018.

Due to the need for a full-time construction manager and inspector on this critical multi-phase project, and for construction materials testing to be performed, staff will request Council's consideration and approval of a contract with AG/CM, Inc. for Construction Management/Construction Inspection services in the amount of \$229,570, as well as one with Geoscience Engineering & Testing, Inc. for Construction Materials Testing in the amount of \$158,415 at the same Council meeting.

Previous Memos: 3/17/2016, 6/2/2016, 10/13/2016, 12/29/2016, 2/23/2017 (Open House Notification only)

Project Map





May 2, 2017

Ms. Susan Johnson
Project Manager
City of Pearland
3519 Liberty Drive
Pearland, Texas 77581

Re: **Letter of Recommendation for: Linwood, E. Orange, Old Alvin Reconstruction Project - Package 1 & 2**
COP Bid No. 0317-28
ARKK Job No. 16-025a

Dear Ms. Johnson:

On April 20, 2017, the City of Pearland received five (5) bids for the above referenced project. This project includes the reconstruction of Linwood Street from E. Orange Street to Old Alvin Road; E. Orange Street from Main Street (SH 35) to Schleider Drive; and Old Alvin Road from Plum Street to Town Ditch. This project generally involves reconstruction of existing asphalt streets to concrete curb-and-gutter streets with underground storm sewer as well as replacement of existing water lines. The following is a summary of our bid evaluation:

Bid Tabulation Sheet – Five (5) construction firms participated in the bidding process. The bids were checked for mathematical errors and/or bid irregularities. A copy of the bid tabulation is attached to this letter. The bids received for the project are as follows:

Bidder	Total Bid
A Status Construction	\$5,260,185.00
SER Construction Partners, LLC	\$5,792,595.50
Conrad Construction Co., Ltd.	\$6,390,560.00
Angel Brothers Enterprises, Ltd.	\$6,888,491.00
Triple B Services, LLP	\$10,004,091.85

A review of the bid proposal submitted by the low bidder, A Status Construction, indicates several bid irregularities, specifically low unit pricing on critical bid items such as traffic control, water line and storm sewer installation. The pricing on these critical bid items were significantly below market costs, resulting in a lower total bid. The low unit pricing could potentially pose a higher risk to the City for successfully completing the project in a satisfactory and timely manner.

Relevant Projects and References – The low bidder, A Status Construction, submitted a list of relevant projects and references to aid with the bid evaluation. The three projects listed as relevant experience include:

- Brays Bayou Channel Modifications for Harris County Flood Control District
- Container Yard 6N at Bayport Terminal for Port of Houston Authority
- Grand San Jacinto Subdivision for a private developer in Liberty County, Texas

A Status Construction provided one reference for all three projects. ARKK contacted the reference, who is a principal partner with ASA Dally, Inc., an engineering consulting firm in the Houston area who confirmed that A Status Construction was not actually involved in any capacity on those projects. Rather, these were projects that ASA Dally, Inc. provided civil design and construction management services. The project team resumes submitted by A Status Construction shows that ASA Dally, Inc. will be providing construction management services for the Pearland Project as a sub-consultant. The reference contacted also confirmed that the Prime Contractor for the Brays Bayou Project and the Port of Houston Project was Trans-Global Solutions, Inc., who utilized ASA Dally Inc. as a subcontractor for performing construction management services. ARKK also contacted the project manager for Trans-Global Solutions, and he indicated that he was not aware of any involvement from A Status Construction on these projects.

A Status Construction also provided additional experience and capabilities information. This additional experience projects include construction of a waffle house, parking lots, and construction of a right turn lane for a municipality in the Austin area. These projects are significantly smaller in size and are not similar to the type of work requested by the City of Pearland.

Based on the above, A Status Construction does not appear to have a history of experience with similar type projects including roadway, drainage and utility construction of this magnitude, and more specifically, a history that encompasses work within established residential neighborhoods, with schools and emergency services facilities in the vicinity.

For these reasons, we recommend the City of Pearland not consider the bid from A Status Construction, but evaluate the next low bid received, which was submitted by SER Construction Partners, LLC.

SER Construction Partners, LLC has successfully completed multiple projects for the City of Pearland (Regency Park Subdivision & Kirby Drive Extension), and the work has been performed in a timely and satisfactory manner. City staff has been satisfied with the quality and performance of SER Construction Partners, LLC on these projects. SER Construction Partners, LLC has also successfully completed similar paving and utility projects for several municipalities including City of Houston, Texas City, Humble, and West University Place. The references

contacted did not have any negative responses that would lead us to believe that SER Construction Partners, LLC is not capable of performing the work.

SER Construction Partners, LLC appears to be a responsible firm that is capable of performing the specified work in a satisfactory manner. For these reasons, we recommend that the City of Pearland award the Linwood, E. Orange, Old Alvin Reconstruction Project - Package 1 & 2 to SER Construction Partners, LLC for a total amount of **\$5,792,595.50**.

If you have any questions, please contact me.

Sincerely,

ARKK ENGINEERS, LLC



Mr. Madhu Kilambi, P.E.

Senior Project Manager/Principal

Cc: Mr. Robert Upton, P.E. – City of Pearland
Mr. Skipper Jones – City of Pearland