



City of Galveston

CAPITAL PROJECTS STAFF REPORT

March 16, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: J. Dudley Anderson, Building Program Manager

RE: Consider approval of a contract with Wharton-Smith, Inc. for construction of the Airport Water Plant Expansion (RFP #20-01) in the amount of \$8,668,931.00, and approval of a total project budget of \$9,598,931. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. The design and construction of this project was included in the City of Galveston Capital Improvement Plan.
- B. City Council approved Dannenbaum Engineering Corporation to perform engineering design for the Airport Water Plant Expansion December 14, 2017

II. Current Situation

- A. The project was advertised on June 10, 2019 as RFP #20-01 to provide the ability to negotiate with the most qualified respondent.
- B. The RFP responses were received on December 9, 2020.
- C. Three (3) responses were received and scored as follows:

	<u>Score</u>
Wharton-Smith, Inc.	2,113.00
LEM Construction	1,991.30
Hensel Phelps.	1,908.86

Wharton-Smith, Inc. received the highest score.

- D. Wharton-Smith proposed a cost of \$9,847,000.00 which was more than anticipated. Negotiations and value engineering were begun between the City and Wharton-Smith, Inc. and the proposed cost was reduced \$1,178,069.00 without jeopardizing quality within the project budget. The total project budget of \$9.6 million is greater than the FY 2020 Capital Budget amount of \$7.5 million. Water and wastewater projects will be funded on a first-in first-out basis as explained at the time of Capital Budget consideration and adoption.





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II. **Impact or ramifications:**

The project is part of the City's continued efforts to expand services to the citizens. This project coordinates with the overall upgrading of the water delivery system for Galveston.

IV. **Alternatives in order of priority**

- A. Approve a contract with Wharton-Smith, Inc. for construction of the Airport Water Plant Expansion (RFP #20-01) in the amount of \$8,668,931.00, and approve a total project budget of \$9,598,931. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.
- B. Do not approve the request.

V. **Recommendation**

Approve of a contract with Wharton-Smith, Inc. for construction of the Airport Water Plant Expansion (RFP #20-01) in the amount of \$8,668,931.00, and approve a total project budget of \$9,598,931. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

VI. **Fiscal Impact Report**

Requested by: J. Dudley Anderson
Building Program Manager

Funding Source: CO Bonds

Construction Cost	\$ 8,668,931.00
Contingency	\$ 700,000.00
Construction Administration	\$ est. 80,000.00
Material Testing (estimated)	\$ <u>est. 150,000.00</u>
Total Cost of Implementation	\$ 9,598,931.00

Respectfully Submitted,


J. Dudley Anderson
Building Program Manager



March 11, 2020

Dudley Anderson
City of Galveston
823 Rosenberg Street
P.O. Box 779
Galveston, Texas 77553

RE: **Letter of Recommendation**
City of Galveston
Airport Water Plant Expansion

Dear Mr. Anderson:

At 2:00 P.M. on December 9, 2019, proposals were received on the above referenced project at the Galveston City Hall. Three (3) proposals, from Wharton-Smith, Inc., Hensel Phelps and LEM Construction, were received and all were considered responsive proposers, providing all documentation duly completed as required in the Request for Proposals.

The proposals were reviewed, evaluated and scored based on the five (5) evaluation factors, which were; cost, past performance on similar projects, overall experience of project management, proposed schedule/timeline, and references provided. Based on those categories the Evaluation Committee scored Wharton-Smith, Inc. the highest, with particular emphasis on cost and past performance on similar projects. Please see the attached Evaluation Committee Results for your information.

References were checked and all responses came back positive. Subsequently, the City and Wharton-Smith, Inc. engaged in a negotiation, which resulted in a value engineering cost savings of \$1,178,069. Please find the attached Best and Final Offer submitted by Wharton-Smith, Inc. Therefore, Dannenbaum Engineering Corporation recommends that the project be awarded to Wharton-Smith, Inc., based on their Total Lump Sum Base Bid of \$8,668,931.00.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Tyson Arnold, P.E.
Associate – Public Works Division

Attachments: Evaluation Committee Results
Wharton-Smith Best and Final Offer

Airport Water Plant Expansion

Name	Reviewer 1	Reviewer 2	Reviewer 3	Reviewer 4	Total
Wharton Smith	455	508	575	575	2,113.00
LEM Construction	454.65	478	514.65	544	1,991.30
Hensel Phelps	387.43	477	537.43	507	1,908.86