



12141 Wickchester Lane  
Suite 200  
Houston, TX 77079  
TEL 713.491.8333  
FAX 713.395.5486  
[www.GarverUSA.com](http://www.GarverUSA.com)

---

October 23, 2023

City of Bay City  
1901 5<sup>th</sup> St  
Bay City, Texas 77414

Subject: Bay City North and East WTP Improvement Recommendation of Award

Dear Mr. Blomquist:

This letter serves as Garver's recommendation to proceed with LEM Construction for the Bay City North and East Water Treatment Plant (WTP) Project. This recommendation is based on the completed evaluation of the Competitive Sealed Proposal (CSP) process.

Proposals were received for the "Bay City North and East WTP Improvements" project on August 31<sup>st</sup>, 2023. A total of two (2) proposals were received on the project. The proposals have been checked for accuracy and for compliance with the contract documents. Using the CSP process, the two proposals were evaluated based on Cost, Offerors' experience with similar projects, Offerors' key personal experience, Offerors' major subcontractors experience, and the Offerors' approach and project schedule. A tabulation of the cost portion of the proposals received is enclosed with this letter, along with the overall evaluation conducted by the City's scoring team.

During the CSP evaluation, cost scoring was based upon the Overall Project Adjusted Base Proposal values indicated in the attached Proposal Tabulation. For this evaluation and Adjusted Base Proposal, none of the original Proposal Alternates were accepted. Thus, the evaluated pricing for LEM was \$21,382,250.00.

Garver recommends further adjustments (cost reductions) to this evaluated pricing during proposal negotiations. First, Garver recommends that the City ultimately include the removal of the North WTP scope from the project (including acceptance of LEM's Proposal Alternate N-5). Pricing for this alternate was provided by both offerors on October 12, 2023, and LEM indicated an overall pricing reduction of \$9,966,750. Additionally, further reductions are warranted of the Cash and Contingency Allowances specifically associated with the North WTP construction (Cash Allowance No. 1 for \$50,000 for the electrical service to the North WTP site; Contingency Allowance No. 3 for \$75,000 for the North WTP Utility Relocation). Finally, LEM has proposed additional cost mitigation items (such as generator modifications, aluminum conduits, piping embedment detail modifications, etc.) that the City and Garver may further evaluate and accept. Pricing has been provided on some items previously, and additional value engineering ideas may yield further reductions.

In summary, the anticipated contract value is \$11,008,500 or lower, pending further negotiations for cost mitigation and value engineering. Prior to issuance of the Notice of Award, Garver anticipates the

Mr. Blomquist  
10/23/23  
Page 2 of 2

development of Change Order No. 1 (CO1) to formally modify the Contract Documents with the post-Proposal period modifications to the project scope. This Change Order would be provided as part of the Notice of Award to LEM for authorization as part of the Agreement.

Through the CSP process, the evaluation committee determined that LEM Construction submitted the best value proposal for the project.

Please call me if you have any questions.

Sincerely,

GARVER, LLC

A handwritten signature in blue ink, appearing to read "Tyson Hann".

Tyson Hann, D. Eng., P.E.  
Project Manager

Attachments: Bid Tabulation  
CSP Evaluation Rating

CC: Shawna Burkhart, COBC  
Scotty Jones, COBC  
Krystal Mason, COBC  
Gabriel Lopez, COBC  
Dan Olson, P.E., Garver  
Wade Parks, P.E., Garver

### Bid Tabulation

Project	Bay City North and East WTP	Project No.	20W09161 & 20W9162		Date of Bid	August 31, 2023				
		TWDB Project No.	62902							
		Offerors	LEM				Wharton-Smith			
<b>Cash Allowance</b>										
Item No.	Description	Allowance				Allowance				
1	Primary electrical service installation and rerouting for Bay City North WTP site	\$			50,000	\$				50,000
2	Primary electrical service and/or natural gas installation and rerouting for Bay City East WTP site	\$			75,000	\$				75,000
<b>Lump Sum for Cash Allowances</b>		\$			<b>125,000</b>	\$				<b>125,000</b>
<b>Contingency Allowance</b>										
Item No.	Description	Allowance				Allowance				
1	Work Change Directives	\$			200,000	\$				200,000
2	Special Inspection and Other Independent Testing	\$			75,000	\$				75,000
3	North WTP Utility Relocation	\$			75,000	\$				75,000
<b>Lump Sum for Contingency Allowances</b>		\$			<b>350,000</b>	\$				<b>350,000</b>
<b>North WTP Base Proposal</b>										
Item No.	Description	Quantity	Units	Unit Price	Price	Quantity	Units	Unit Price	Price	
1	All work as defined in Contractor Documents	1	LS	\$ 7,620,000.00	\$ 7,620,000.00	1	LS	\$ 7,632,025.00	\$ 7,632,025.00	
2	Construction, testing, installation, and startup of new groundwater well, pump, and motor	1	LS	\$ 2,462,250.00	\$ 2,462,250.00	1	LS	\$ 2,655,600.00	\$ 2,655,600.00	
3	Concrete roads and pavement	1	LS	\$ 130,000.00	\$ 130,000.00	1	LS	\$ 160,000.00	\$ 160,000.00	
4	Trench Safety	1	LS	\$ 2,000.00	\$ 2,000.00	1	LS	\$ 5,000.00	\$ 5,000.00	
5	Installation, Maintenance, and Record Keeping of Storm Water Pollution Prevention Plan	1	LS	\$ 15,000.00	\$ 15,000.00	1	LS	\$ 10,000.00	\$ 10,000.00	
<b>North WTP Total Base Proposal Price</b>		\$			<b>10,229,250.00</b>	\$			<b>10,462,625.00</b>	
<b>East WTP Base Proposal</b>										
Item No.	Description	Quantity	Units	Unit Price	Price	Quantity	Units	Unit Price	Price	
1	All work as defined in Contractor Documents	1	LS	\$ 8,150,000.00	\$ 8,150,000.00	1	LS	\$ 8,085,000.00	\$ 8,085,000.00	
2	Construction, testing, installation, and startup of new groundwater well, pump, and motor	1	LS	\$ 2,381,000.00	\$ 2,381,000.00	1	LS	\$ 2,576,375.00	\$ 2,576,375.00	
3	Concrete roads and pavement	1	LS	\$ 130,000.00	\$ 130,000.00	1	LS	\$ 155,000.00	\$ 155,000.00	
4	Trench Safety	1	LS	\$ 2,000.00	\$ 2,000.00	1	LS	\$ 5,000.00	\$ 5,000.00	
5	Installation, Maintenance, and Record Keeping of Storm Water Pollution Prevention Plan	1	LS	\$ 15,000.00	\$ 15,000.00	1	LS	\$ 10,000.00	\$ 10,000.00	
<b>East WTP Total Base Proposal Price</b>		\$			<b>10,678,000.00</b>	\$			<b>10,831,375.00</b>	
<b>North WTP Proposal Alternatives</b>										
Deduct Item	Description	Alternate Price				Alternate Price				
N-1	Deletion of GST No. 2	\$			(520,000.00)	\$			(490,000.00)	
N-2	Deletion of generator, generator pad, and all related accessories	\$			(425,000.00)	\$			(375,000.00)	
N-3	Deletion of all Concrete Roads and Pavement. Utilize 6" gravel roads.	\$			(50,000.00)	\$			(50,000.00)	
N-4	Deletion of one of the End-Suction Centrifugal Pump	\$			(35,000.00)	\$			(35,000.00)	
<b>North WTP Total Base Proposal Price</b>		\$			<b>(1,030,000.00)</b>	\$			<b>(950,000.00)</b>	
<b>East WTP Proposal Alternatives</b>										
Deduct Item	Description	Alternate Price				Alternate Price				
E-1	Deletion of GST No. 2	\$			(520,000.00)	\$			(490,000.00)	
E-2	Deletion of generator, generator pad, and all related accessories	\$			(840,000.00)	\$			(815,000.00)	
E-3	Deletion of all Concrete Roads and Pavement. Utilize 6" gravel roads.	\$			(50,000.00)	\$			(50,000.00)	
E-4	Deletion of one of the End-Suction Centrifugal Pump	\$			(35,000.00)	\$			(35,000.00)	
<b>East WTP Total Base Proposal Price</b>		\$			<b>(1,445,000.00)</b>	\$			<b>(1,390,000.00)</b>	
<b>Overall Project Proposal Summary</b>										
Base Proposal Component	Description	Proposal Total				Proposal Total				
5.01	Cash Allowances	\$			125,000.00	\$				125,000.00
5.02	Contingency Allowances	\$			350,000.00	\$				350,000.00
5.03	WTP Improvements Base Proposal	\$			20,907,250.00	\$				21,294,000.00
<b>Overall Project Base Proposal</b>		\$			<b>21,382,250.00</b>	\$				<b>21,769,000.00</b>

Adjustments for Alternates and Major Equipment Alternates						
Base Proposal Component	Description	Proposal Total		Accepted?	Proposal Total	
<b>North WTP</b>						
N-1	Adjustment for deletion of GST No. 2	\$	-	No	\$	-
N-2	Adjustment for deletion of generator, generator pad, and all related accessories	\$	-	No	\$	-
N-3	Adjustment for deletion of all Concrete Roads and Pavement. Utilize 6" gravel roads.	\$	-	No	\$	-
N-4	Adjustment for deletion of one of the End-Suction Centrifugal Pump	\$	-	No	\$	-
<b>East WTP</b>						
E-1	Adjustment for deletion of GST No. 2	\$	-	No	\$	-
E-2	Adjustment for deletion of generator, generator pad, and all related accessories	\$	-	No	\$	-
E-3	Adjustment for deletion of all Concrete Roads and Pavement. Utilize 6" gravel roads.	\$	-	No	\$	-
E-4	Adjustment for deletion of one of the End-Suction Centrifugal Pump	\$	-	No	\$	-
<b>Overall Project Adjusted Proposal</b>		\$		<b>21,382,250.00</b>	\$	<b>21,769,000.00</b>

Proposal Evaluation Scoresheet							
Project	Bay City North and East WTP	Non-Evaluating Attendees			Project No.	20W09161 & 20W9162	
Evaluators	Herb Blomquist, Krystal Mason, Gabriel Lopez, & Scotty Jones	Tyson Hann, Wade Parks, & Alec Macmanus		TWDB Project No.	62902		
Rating Category	Category Description	Points	LEM		Wharton-Smith		
			Value	Score	Value	Score	
i	<b>Cost:</b> Offeror's proposed costs for the Total Base Proposal Price as shown in Article 5 of the Proposal Form.	50	\$ 21,382,250	50.0	\$ 21,769,000	49.0	
ii	<b>Experience/Past Performance of Offeror with Similar Projects:</b> Evaluation of the Offeror's experience and past performance on similar size and scope projects within an area of 175 miles of the plant site over the past five years. The Qualifications of Offeror will be evaluated based on the Offeror Qualifications Statement (Section 00 45 13) and Project Approach with supporting data.	15		13		11	
iii	<b>Experience and Qualifications of Proposed Key Personnel with Similar Projects:</b> Evaluation of the Offeror's key personnel, such as project manager and project superintendent. Evaluation will be based on the experience of the personnel on similar projects and performance on projects within the past ten years. The Qualifications of Offeror will be evaluated based on the Offeror Qualifications Statement (Section 00 45 13) and Project Approach with supporting data.	15		13		12	
iv	<b>Experience/Past Performance of Offeror's Proposed Major Subcontractors with Similar Projects:</b> Evaluation of the Offeror's Major Subcontractors, such as the electrical, instrumentation and controls. Evaluation will be based on the experience of the subcontractor on similar projects, performance on projects within the past five years, and the demonstrated experience of the offeror in working with the subcontractor. The Qualifications of Offeror/Subcontractors will be evaluated based on the Offeror Qualifications Statement (Section 00 45 13), List of Proposed Subcontractors (Section 00 41 19), and Project Approach with supporting data.	10		9		9	
v	<b>Approach and Proposed Project Schedule:</b> Evaluation of the Offeror's understanding of the project, project schedule, and familiarity with construction constraints through demonstrated understanding in the project approach and proposed schedule. Schedule from Notice to Proceed through Acceptance Testing and Final Completion as shown in Article 9 of the Proposal Form. The Approach will be evaluated based on the Offeror Qualifications Statement (Section 00 45 13), and Project Approach with supporting data.	10		7		9	
			<b>Total</b>	<b>92</b>	<b>Total</b>	<b>90</b>	