



## ENGINEERING SERVICES

**To:** Mayor and Town Council

**From:** Lindy M. Higginbotham, P.E., Senior Engineer

**Through:** Mario Canizares, Town Manager  
Chuck Ewings, Assistant Town Manager  
Hulon T. Webb, Jr., P.E., Director of Engineering Services  
Pete Anaya, P.E., Assistant Director of Engineering – Capital Projects

**Re:** Reject Proposals: Custer Road 6MG Ground Storage Tank

Town Council Meeting – March 10, 2026

### Strategic Visioning Priority: 1. Acceleration of Infrastructure

---

#### **Agenda Item:**

Consider and act upon rejecting all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank.

#### **Description of Agenda Item:**

On January 15, 2026, at 2:00 PM, two (2) Competitive Sealed Proposals were received for the Custer Road 6MG Ground Storage Tank project (2412-WA). The project consists of furnishing all labor, equipment and materials (except as otherwise specified), and performing all work necessary for the construction of a new 6MG Ground Storage tank including all necessary yard piping, electrical and instrumentation controls, demolition and improvements to chemical rooms, along with the recoating of two existing ground storage tanks and related appurtenances.

The project was advertised using the Competitive Sealed Proposal Construction alternative procurement method to allow the Town to award the project to the contractor that offers the best value proposal based on the following criteria, which include standard percentages based on direction from the Town Council:

- Qualifications and Experience (10%)
  - Outline contractor and subcontractor experience with similar projects.
  - Outline qualifications of key personnel assigned to this project.
  - Provide references.
- Project Timeline (25%)
- Cost Proposal (65%)

Engineer's Estimate was \$12,963,551, and the budget for the construction of the project is \$13,000,000. The lowest proposal was \$1,993,167 over the Engineer's estimate, and the other proposal was \$3,001,949 over the Engineer's estimate.

Based on the lack of the number of proposals received, and the significant cost differential between the Engineer's estimate, budget, and the two (2) proposals received, Staff is recommending rejecting all proposals so that the project can be re-evaluated and re-advertised in the future. Staff is also researching grant opportunities.

**Budget Impact:**

There are no adverse budgetary impacts.

**Legal Obligations and Review:**

Terrence Welch of Brown & Hofmeister, L.L.P., has approved the proposed action to reject all proposals as to legality.

**Attachments:**

1. Location Map
2. Bid Tabulation Summary

**Town Staff Recommendation:**

Town staff recommends that the Town Council reject all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank.

**Proposed Motion:**

I move that the Town Council reject all proposals received in response to CSP No. 2026-05-B for the Custer Road 6MG Ground Storage Tank.