



## **AGENDA MEMORANDUM**

**CONTACT:** CLIF CUSTER

**SUBJECT:** CONSTRUCTION CONTRACT AWARD

### **SUMMARY:**

As a result of the RFP advertised on Civcast by Strand Associates for the ARPA South Water Plant Improvements, Richwood received two bids. The lowest of the two bids was submitted by W.W. Payton in the amount of \$525,000.00. The second bid was submitted by Matula and Matula Inc. In the amount of \$593,000.00.

### **BACKGROUND INFORMATION:**

The original ARPA Grant Project Scope included backup power generators for Well #5, Lift Station #3, Lift Station #4, Richwood Service Center, and new pumps, motors, and piping for the South Water Plant. Due to rising costs during the development of the grant project outline, the overall project scope was required to be reduced.

The Current ARPA Grant Project Scope is inclusive of new pumps, motors, and piping at Richwood's South Water Plant, and backup power generators at Water Well #5 and Richwood Service Center. Also due to rising costs, this project scope was divided into two separate initiatives being:

1. South Water Plant pumps, motors, and piping
2. Backup power generators at Well #5 and Richwood Service Center

As an additional effort to ensure that the project scope costs remained within the confines of Richwood's ARPA grant allocation, the two initiatives were to be bid on, and construction contracts executed at different times. Due to its higher cost value, it was determined that the South Water Plant pumps, motors, and piping were to be bid first.

### **ISSUE:**

According to the TDEM guidelines, contractors submitting bids must have an active account with SAM (System for Award Management). SAM is the official U.S. Government system for listing contract opportunities, capturing contractor performance, viewing contract data, searching assistance listings, reporting subcontracts, and more.

Although it has been determined that W.W. Payton clearly is registered with SAM and has a unique identification number, there is no proof available that W.W. Payton's SAM account is active. Therefore, Richwood's Grant Works Specialist, David Okumgba has made a recommendation to award the construction contract to the next lowest qualified bidder being Matula and Matula Construction.

*A future issue regarding the ARPA Grant could be a Council Resolution to provide additional funding for the entirety of the project. Richwood's ARPA grant allocation totals \$989,146.00. The qualifying responsive and responsible bidder submitted a bid of 593,000.00. Estimated Engineering and Grant Admin Services for the SWP portion of the project totaled \$108,250.00 for a final cost of \$701,250.00 for the SWP portion of the ARPA Grant Project.*

*The second portion of the ARPA Grant Project being backup power generators at Well #5 and Richwood's Service Center is estimated at \$376,000.00 inclusive of Engineering and Grant Admin Services. This would put the total project cost at \$1,077,250, or \$88,104.00 over Richwood's ARPA grant allocation.*

***Note: This is for the Council's information. The determination that a resolution by Council to allow for additional funds for the ARPA Grant Project is not a requirement at this time.***

**FISCAL IMPACT:**

None

**RECOMMENDATION:**

I recommend that Council motion to award Construction Contract 1-2023/ARPA South Water Plant Improvements to the lowest qualified bidder, Matula and Matula Inc.