



Agenda Memorandum

Contact: Clif Custer

Subject: ARPA Generator Project Construction Contract Award

Summary: The allocation of funds awarded to Richwood from the American Rescue Plan Act Grant are funding water infrastructure upgrades as well as backup generator power for water and wastewater infrastructure. The first of two projects under Richwood's Grant umbrella being pump and piping improvements at the South Water Plant had a construction contract awarded in July of 23.

On 1/25/23 Richwood hosted a bid opening for the second of the two projects being backup generator power at Well #5 and the Richwood Service Center. Richwood received two sealed bids at the bid opening.

McDonald Municipal and Industrial = \$348,469.00

Texas Municipal and Industrial = \$331,169.00

Background Information:

Issue: It was understood by Staff and expressed to Council upon the conception of the ARPA project scope that the opinion of probable construction costs for the ARPA Grant Project was going to be close to the amount of Richwood's ARPA fund allocation. Possible cost increases and inflation between that time that cost opinions were presented and awarding of construction contracts most likely resulted in project cost overage totaling \$182,500.00. With Richwood's ARPA fund allocation and accrued interest from the Series B GO Bond, it is Staff's opinion that much of this cost overage can be covered.

Fiscal Impact: Current estimated fiscal impact to the City of Richwood totals \$14,500.00

Recommendation: I recommend Council make a motion to award Richwood's ARPA Generator Project, Contract 3-2023 to Texas Municipal and Industrial.