

February 21, 2011

Mr. Todd Hoover
Director of Utilities
City of Texas City
301 6th St N
Texas City, TX 77592

Re: Letter of Recommendation for Water Line Replacement Project – Phase 10
City of Texas City
HDR|C&M Job No. 09-106

Dear Mr. Hoover:

On January 26, 2011, nine (9) bids were received on the above referenced project. The following is a summary of our bid evaluation:

Bid Tabulation Sheet - Nine (9) construction firms participated in the bidding process. Each bid was checked for mathematical errors and/or bid irregularities. The project was bid with a base bid and two (2) add alternate bids. The base bid includes installation of 29,000 linear feet of water line replacement at eleven (11) locations throughout the City. Add Alternate #1 includes installation of 2,200 linear feet of water line replacement. Add Alternate #2 includes installation of 1,450 linear feet of water line replacement. As discussed with the City of Texas City, Add Alternates #1 & #2 were utilized as a basis for award of the contract.

The bids for the total project are as follows:

| <u>Contractor</u> | <u>Total Base Bid</u> | <u>Add Alternate #1</u> | <u>Add Alternate #2</u> | <u>Total Bid*</u> |
|------------------------------------|-----------------------|-----------------------------|-----------------------------|-------------------|
| McKinney Construction, Inc. | \$1,077,675.00 | \$77,980.00 | \$46,700.00 | \$1,202,355.00 |
| Lopez Utilities Contractor, LLC | \$1,381,112.50 | \$89,200.00 | \$54,350.00 | \$1,524,662.50 |
| D.L. Elliot Enterprises, Inc. | \$1,399,515.00 | \$99,900.00 | \$63,225.00 | \$1,562,640.00 |
| Collins Construction, LLC | \$1,412,940.00 | \$102,360.00 | \$62,695.00 | \$1,577,995.00 |
| Metro City Construction, LP | \$1,418,172.00 | \$96,860.00 | \$63,825.00 | \$1,578,857.00 |
| SER Construction Partners, Ltd. | \$1,449,147.00 | \$89,645.00 | \$60,725.00 | \$1,599,517.00 |
| Scohil Construction Services, LLC | \$1,500,611.00 | \$108,390.00 | \$66,780.00 | \$1,675,781.00 |
| Reliance Construction Services, LP | \$1,509,945.00 | \$104,242.00 | \$68,540.00 | \$1,682,727.00 |
| SKE Construction, LLC | \$2,122,270.00 | \$374,130.00 | \$97,925.00 | \$2,594,325.00 |

*Contract Award was based on Total Base Bid and Add Alternates #1 & #2.

A copy of the bid tabulation is attached.

Qualification Statement with References – McKinney Construction, Inc. provided a List of Recently Completed Projects, References, Subcontractor and Major Suppliers Form, and a Financial Statement.

McKinney Construction, Inc. has been doing similar projects for municipalities in and around Houston area for the past 10 years. HDR | Claunch & Miller contacted references at the City of Houston and City of Jacinto as well as major suppliers ACT Pipe & Supply and HD Supply Waterworks to obtain additional information on their work. The references that were contacted indicated that they have performed very well on their projects and recommended McKinney Construction, Inc. The suppliers had no issues with payments from McKinney Construction, Inc.

City and HDR|C&M staff met with McKinney Construction, Inc. personnel to discuss the project requirements and expectations. McKinney Construction, Inc. staff indicated that they feel comfortable with their bid even though there was a significant difference between the first and the second low bidder. Representatives from McKinney Construction indicated that they feel comfortable with their bid and can perform the work as specified on the plans and specifications (See attached letter from McKinney Construction). McKinney Construction also provided a letter from their bonding company that the project will be bonded upon award by the City.

Based on the information provided and information gathered from the references, and our subsequent meetings, McKinney Construction, Inc. Inc appears to be a responsible firm that is capable of performing the specified work in a satisfactory manner.

For these reasons, we recommend that the City of Texas City award the Water Line Replacement Project – Phase 10 project to McKinney Construction, Inc. for a total of \$1,202,355.00.

If you have any questions, please contact me.

Sincerely,

HDR|CLAUNCH & MILLER



Mr. Kerry Lackey, P.E.

Project Manager

Kerry.Lackey@hdrinc.com

KL/mk

Cc: Mr. Tom Kessler, P.E. – City of Texas City
Mr. Doug Knepper, P.E. – City of Texas City
Mr. Madhu Kilambi, P.E. – HDR|Claunch & Miller