

CONSENT AGENDA  
ITEM NO. 20

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
PUBLIC WORKS DEPARTMENT**

**TO:** Mayor and City Council

**FROM:** Thomas G. Wendorf, P.E., Director of Public Works

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Melissa Byrne Vossmer; Andrew Martin; Louis A. Lendman; Milo D. Nitschke; File

**SUBJECT:** Octavia #63 Phase II – Part 1

**DATE:** June 26, 2003

**SUMMARY AND RECOMMENDATIONS**

This ordinance accepts the low qualified responsive bid and awards a construction contract in the amount of \$1,410,043.07 payable to KGME, Inc., a MBE firm, and authorizes \$112,681.50 for construction contingency expenses, and \$719.00 for advertising expenses, for an overall total of \$1,523,443.57. Of the \$1,523,443.57, \$1,240,215.13 will be funded from General Obligations of the City, \$218,455.69 will be funded by San Antonio Water System (SAWS) for sewer and water work, and \$64,772.75 will be funded by City Public Service (CPS) for gas line replacement in connection with the Octavia #63 Phase II – Part 1, an authorized 1999 General Obligation Drainage Improvement Bond project, located in Council District 5.

Staff recommends approval of this ordinance.

**BACKGROUND INFORMATION**

The Octavia #63 Phase II, Part 1 project provides for road reconstruction and underground storm drainage improvements along Hart and Pleasanton Road. Reconstruction will include curbs, 4 foot sidewalks, concrete driveway approaches, and retaining walls. The alternate bid includes the area located west of Pleasanton on W. Hart Avenue and will extend 300 feet from the original project limit. This project is scheduled to begin construction July 2003, and be completed by May 2004.

While this project was originally identified as a General Obligation Drainage Improvement Bond project, construction costs have increased significantly. Therefore, it is necessary to use resources from 2002 Certificates of Obligation. The necessity of using Certificates of Obligation for this purpose was anticipated in preparing the FY 2003 Capital Budget.

This project was advertised for construction bids in the Commercial Recorder, the San Antonio Informer, and La Prensa in April 2003. In addition, the bid announcement was made on TVSA, through the SBEDA office and Dodge Report. Plans were also available for review by potential bidders in the Public Works Office.

Bids for this project were opened on May 15, 2003 with four (4) bidders responding. A matrix reflecting the outcome of the bid process is attached.

The Economic Development Department has reviewed and approved the List of Subcontractors and the Good Faith Effort Plan submitted by KGME, Inc. The contractor is a minority certified firm and will consent 94% of the project and 4.5% or \$64,772.00 will be subcontracted to WBE firms. The contract provides for 170 working days or approximately nine (9) months to complete the project. KGME, Inc. currently has one (1) construction contract with the City of San Antonio.

### **POLICY ANALYSIS**

Approval of this ordinance will be a continuation of City Council policy to complete previously approved 1999 General Obligation Drainage Bond funded Capital Improvement Projects.

### **FISCAL IMPACT**

This is a one-time capital improvement expenditure within budget and included in the FY 03-08 Capital Improvement Program Budget. Funds in the amount of \$1,104,956.55 are available from General Obligation Drainage Improvement Bonds, \$135,258.58 are available from 2002 Certificates of Obligation, \$218,455.69 will be funded from SAWS for sewer and water work, and \$64,772.75 from City Public Service (CPS) for gas line replacement, for an overall total of \$1,523,443.57 to be authorized payable as follows:

\$1,410,043.07	payable to KGME, Inc., for construction expenses
\$ 112,681.50	payable for miscellaneous construction contingency
\$ 719.00	payable for advertising expenses

### **COORDINATION**

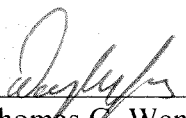
This request for ordinance has been coordinated with the Office of Management and Budget and the Finance Department.

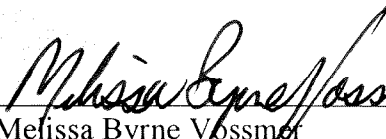
### SUPPLEMENTARY COMMENTS

This construction contract was developed utilizing the formal competitive bid process; therefore, a Discretionary Contracts Disclosure Form is not required.

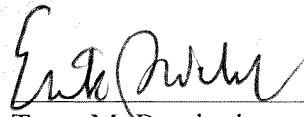
### ATTACHMENTS

1. Matrix of Bid Process
2. Current Project List
3. Project Map
4. Proposal
5. Economic Development Department Memo, dated May 29, 2003
6. Contract

  
D.D. 6/13/03  
Thomas G. Wendorf, P.E.  
Director of Public Works

  
Melissa Byrne Vossmer  
Assistant City Manager

Approved:

  
Terry M. Brechtel  
City Manager

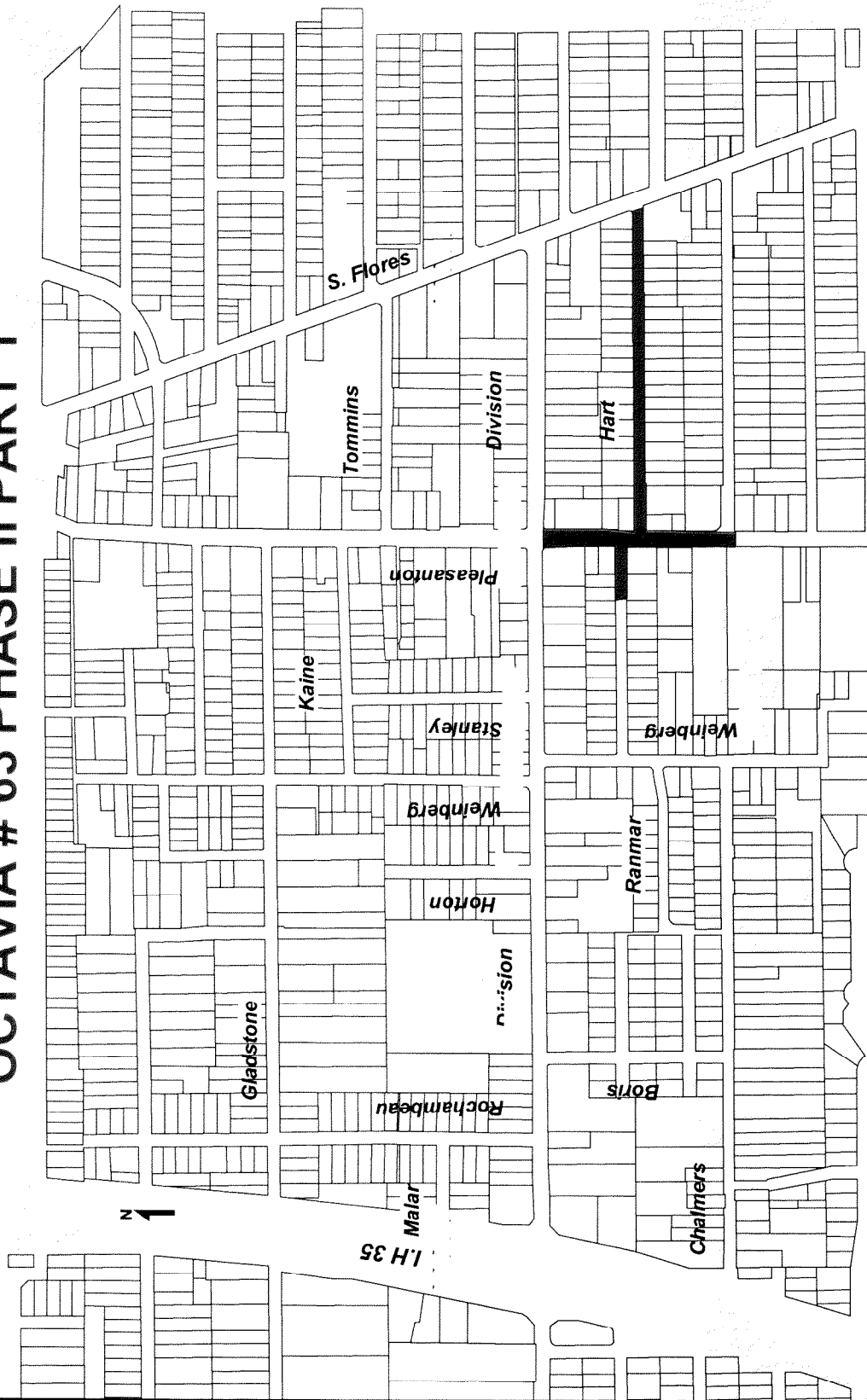
**ATTACHMENT I**  
**Matrix of Bid Tabulation**  
**Octavia #63 – Phase II, Part 1**

<b>Bid</b>		<b>KGME, Inc.</b>	<b>Pipelayers, Inc.</b>	<b>Texas Sterling, LP</b>	<b>E-Z Bel Const., LTD</b>
<b>Base</b>	<b>Public Works</b>	\$980,754.80	\$951,205.64	\$1,017,023.10	\$1,057,297.25
	<b>SAWS-Water</b>	\$79,349.83	\$106,928.00	\$89,709.00	\$100,412.89
	<b>SAWS-Sewer</b>	\$110,103.23	\$116,731.58	\$126,663.00	\$105,653.48
	<b>CPS</b>	\$58,796.75	\$69,826.00	\$69,434.00	\$84,973.00
<b>Alternate</b>	<b>Public Works</b>	\$146,059.83	\$134,063.32	\$139,581.10	\$144,205.39
	<b>SAWS-Water</b>	\$16,159.91	\$20,626.00	\$15,923.00	\$19,292.19
	<b>SAWS-Sewer</b>	\$12,842.72	\$16,706.40	\$19,844.00	\$16,802.80
	<b>CPS</b>	\$5,976.00	\$6,448.00	\$7,120.00	\$8,390.00
<b>TOTAL</b>		<b>\$1,410,043.07</b>	<b>\$1,422,534.94</b>	<b>\$1,485,297.20</b>	<b>\$1,537,027.00</b>

**ATTACHMENT II  
Current Project List  
KGME, Inc.**

<b>Council District</b>	<b>Project Name</b>	<b>Contract Amount</b>
2	Bee Street from Walters to Frank	\$448,717.01
<b>TOTAL</b>		<b>\$448,717.01</b>

# OCTAVIA # 63 PHASE II PART 1



**PROPOSAL**

**TO**

**CITY OF SAN ANTONIO TEXAS**

**FOR THE CONSTRUCTION OF**

**OCTAVIA #63 - PHASE II - PART 1**

**IN SAN ANTONIO, TEXAS**

The undersigned, as bidder, declares that the only person or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm, corporation; that Bidder has carefully examined the form of contract, instructions to bidders, profiles, grades, specifications, and the plans therein referred to, and has carefully examined the locations, conditions and classes of materials of the proposed work; and agrees that Bidder will provide all the necessary machinery, tools, apparatus, and other means of construction, and will do all the work and furnish all the materials called for in the contract and specifications in the manner prescribed therein and according to the requirements of the Director of Public Works as therein set forth.

It is understood that the following quantities of work to be done are approximate only, and are intended principally to serve as a guide in figuring out the bids.

It is understood and agreed that the work is to be completed in full in one hundred seventy (170) ~~calendar~~ working days.

Accompanying this Proposal is a Bid Guaranty in the amount of \_\_\_\_\_

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_) said amount being

Five (50) per cent of the total bid. Said Bid Guaranty, in the form of a Certified or Cashier's Check on a State or National Bank, or Bid Bond, is submitted as a guaranty of the good faith of the Bidder and that the Bidder will execute and enter into a written contract to do the work, if his bid is accepted. It is hereby agreed that the Bidder may, at any time prior to opening of the bids withdraw this Proposal without penalty; it is also agreed that if Bidder shall, at any time after opening of bids, withdraw this Proposal or if this Bid is accepted and Bidder shall fail to execute the written contract and furnish satisfactory bond, within twenty (20) days after the date of transmittal of the contract documents by Owner to Contractor, the City of San Antonio shall, in any of such events, be entitled and is hereby given the right to retain said Bid Guaranty as liquidated damages. It is understood that the City of San Antonio reserves the right to reject any and all bids whenever the City Council deems it in the interest of the City to do so, and also the right to waive any informalities in a bid.

In the event of the award of a contract to the undersigned, the undersigned will execute same on Standard Form City construction Contract and make bond for the full amount of the contract, to secure proper compliance with the terms and provisions of the contract, and to insure and guarantee the work until final completion and acceptance or the end of the guarantee period where so stipulated, and to guarantee payment of all lawful claims for labor performed and materials furnished in the fulfillment of the contract.

The work proposed to be done shall be accepted when fully completed and finished to the entire satisfaction of the Director of Public Works.

The undersigned certifies that the bid prices contained in this proposal have been carefully checked and are submitted as correct and final.

Bidder is:

☐ An individual proprietorship;

☐ A partnership composed of \_\_\_\_\_

and \_\_\_\_\_

☒ A corporation chartered under the laws of the State of ILLINOIS, acting by its officers pursuant to its by-laws or a resolution of its Board of Directors.

ATTEST:

[Signature]

By:

KGME, Inc

(Name of Bidder)

[Signature]

(Signature)

5-14-03  
Date

President & CEO

(Title)

Amount of Base Bid (Insert Amount in Words and Numbers): Nine hundred eighty thousand seven thousand fifty-four dollars and eighty cents

\$ 980,754.80 Base Bid

Alternates (if applicable):

Additive Alt. 1

(1) SAWS swr base \$ 110,103.23

\$ 146,059.83

(3) SAWS wtr base \$ 79349.83

(2) SAWS swr Alt. 1 \$ 12,842.72

(4) SAWS wtr Alt. 1 \$ 16159.91

(5) CPS base \$ 60271.25

(6) CPS Alt. 1 \$ 4500.50

KGME, Inc

Company's Name

GRAND TOTAL \$ 1,410,043.07

4820 Bacon Rd

Address

210.340.0560

Fax No.

San Antonio, Texas

City & State

78249

Zip Code

210.340.0540

TELEPHONE No.



# City of San Antonio

## Economic Development Department Interdepartmental Memorandum


TO: William Krause, Capital Programs Manager, Public Works Department  
FROM: Anita Uribe Martin, Economic Development Manager, E.D.D.  
COPIES: Evelyn McRae; Courtney McClure; File  
SUBJECT: List of Subcontractors Submitted for the Octavia #63 – Phase II, Part I  
DATE: May 29, 2003

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We have reviewed the Good Faith Effort Plan and List of subcontractors for the Octavia #63 – Phase II, Part I. The apparent low bidder has submitted contract amounts, which are reflected in the percentages below.

<u>FIRM</u>	<u>CERTIFIED</u>	<u>MBE</u>	<u>WBE</u>	<u>AABE%</u>	<u>GFEP</u>
KGME	Yes	94% or \$1,324,000	4.59% or \$64,772	0%	Approved

If there are any questions, please call me at (210) 207-3901 or Courtney McClure at (210) 207-3913.

  
Anita Uribe Martin  
Economic Development Manager  
Small Business Outreach Division

AUM/CM

THE CITY OF SAN ANTONIO

WORKING DAY

CONTRACT  
(Standard Form)

THIS AGREEMENT made the 26th day of June in the year Two Thousand Three (2003) by and between KGME, Inc. hereinafter called the "Contractor", and the City of San Antonio, Texas, hereinafter called the "City or the "Owner".

WITNESSETH, that the Contractor and the Owner for the consideration hereinafter named agree as follows:

Article 1. Scope of the Work - The Contractor shall furnish all the materials and perform all the Work called for in the Contract Documents and more specifically described in the Plans and Specification for the Project entitled:

**OCTAVIA #63 PHASE II - PART 1**

Prepared by GGI Engineers, acting as, and in these Contract Documents entitled, the Project Design "Consultant".

Article 2. Time of Completion - The Contractor shall begin Work at the job site within seven (7) calendar days after the date of the Owner's written Authorization to Proceed issued by the Owner's Representative. The Work to be performed under this Agreement is to be completed by Contractor in ONE HUNDRED SEVENTY (170) WORKING DAYS. For each Working Day that any Work is not completed after the expiration of Working Days stated above, plus any Extended Working Days granted by Owner in accordance with the Contract Documents, the sum as shown in the table below will be deducted from the money due or to become due the Contractor, not as a penalty, but as mutually agreed to liquidated damages and added expense for Owner Contract administration, not otherwise susceptible to exact determination by Owner and Contractor prior to the execution of this Agreement.

<u>Amount of Contract</u>	<u>Liquidated Damages per Day</u>
\$1,000,001 or Over	\$350.00
\$ 750,001 to \$1,000,000	\$300.00
\$ 500,001 to \$ 750,000	\$250.00
\$ 250,001 to \$ 500,000	\$200.00
\$ 100,001 to \$ 250,000	\$150.00
\$ 50,001 to \$ 100,000	\$100.00
\$ 0 to \$ 50,000	\$ 50.00

Article 3. The Contract Sum - The Owner shall pay the Contractor for the proper performance of the Contract, subject to additions and deduction provided therein, the Contract sum of:

Materials: \_\_\_\_\_ **AND**  
Dollars, (\$ \_\_\_\_\_)

Services: \_\_\_\_\_ **AND**  
Dollars, (\$ \_\_\_\_\_)

Total: **ONE MILLION, FOUR HUNDRED TEN THOUSAND, FORTY-THREE** **AND**  
**07/100** Dollars (\$1,410,043.07)

Article 4. Partial Payment - Each month, the Owner shall make a progress payment as approved by the Owner's Representative in accordance with Article VII of the General Conditions.

Article 5. Acceptance and Final Payment - Final Payment shall be due on final Owner acceptance of the Project Work, provided the Contract has been completed by Contractor as provided in Article IX of the General Conditions.

Before issuance of the final payment, the Contractor shall submit an affidavit and reasonable additional supporting evidence if required, as satisfactory to the Director of Finance, City of San Antonio, that all labor payrolls, construction materials and supply bills, subcontractors, and other indebtedness connected with the Work have been paid in full, or that an outstanding debt is being disputed and that the corporate surety or its agent is processing the outstanding claim and is willing to defend and/or indemnify the City should the City make final Contract payment.

Article 6. The Contract Documents - This Working Day Contract (Standard Form) the General Conditions, Special Conditions, Supplemental Conditions, Specifications, Agenda, Completed Bid Proposal Form, Invitation For Bids, Instructions to Bidders, Plans, Field Directives, Field Alterations, and Payment, Performance and Extended Warranty Bonds, form the Contract Documents and they are as fully a part of this Agreement as if hereto attached or herein repeated.

IN WITNESS WHEREOF, said City of San Antonio has lawfully caused these presents to be executed by the City Manager of said City, and the corporate seal of said City to be hereunto affixed and this instrument to be attested to by the City Clerk;

DONE at San Antonio, Texas, on the day and year first written above.

CITY OF SAN ANTONIO

By: \_\_\_\_\_  
City Manager

ATTEST:

\_\_\_\_\_  
City Clerk

IN WITNESS WHEREOF, said Contractor has thoroughly read and understands this Agreement and the Contract Documents and the nature of this legal commitment and lawfully caused these presents to be executed by Contractor's legally authorized representative and does hereby deliver this legally binding instrument;

DONE at San Antonio, Texas, on the day and year first written above.

(Seal if Agreement is with Corporation)

KGME, INC.

Contractor

ATTEST:

BY:

Simon Salas

SIMON SALAS

Secretary

Counsel

Title

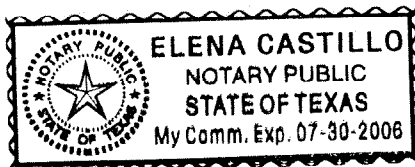
STATE OF TEXAS )

COUNTY OF BEXAR )

This instrument was acknowledged before me on this the 5<sup>th</sup> day of June, 2003  
by Simon Salas, Counsel of KGME, Inc. a  
Illinois Corporation on behalf of said KGME, Inc.

Elena Castillo  
NOTARY PUBLIC in and for the State of  
TEXAS

Elena Castillo  
NOTARY'S PRINTED SIGNATURE



7-30-2006  
MY COMMISSION EXPIRES:

PAYMENT BOND

STATE OF TEXAS )  
COUNTY OF BEXAR )  
CITY OF SAN ANTONIO )

Know all men by these presents:

1. That we **KGME, Inc., an Illinois Corporation, acting by and through Abel Godines, President and CEO,**  
as Principal, and

as Sureties, do hereby acknowledge ourselves to be held and firmly bound unto the City of San Antonio, a municipal corporation of the County of Bexar and State of Texas in the sum of **\$1,410,043.07** for payment of which sum well and truly to be made in and unto said City of San Antonio, we do hereby bind and obligate ourselves, our heirs, executors, administrators, assigns, and successors, jointly and severally:

2. THE CONDITIONS OF THIS BOND, HOWEVER, ARE SUCH THAT WHEREAS, the said  
**KGME, INC.**

hereinafter called Contractor or Principal, has made and does this day make and enter into a certain contract in writing with said City of San Antonio, for the construction and completion for said City of certain structures, work and improvements generally described as

**OCTAVIA #63 PHASE II - PART 1**

and for the performance and observance of diverse other matters and things in connection with said work, and, interalia, therein entered into covenants and agreements to promptly pay all persons supplying labor, materials and services in the prosecution of the work provided for in said contract; all as more fully described in said contract and its included instruments which are expressly made a part of this obligation;

3. NOW THEREFORE, if Contractor, the Principal party to this obligation shall promptly make payment to all persons supplying labor and materials in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation shall be and become null and void, but otherwise to remain in full force and effect; and it is hereby further understood and agreed that this bond shall be a continuous obligation against the principal and each member of said principal party hereto, and each and all sureties hereon, and that successive recoveries may be had thereon for each and every breach of this bond until the full amount thereof shall have been exhausted; and the liability of the sureties on this bond shall not be in any manner released or diminished by any changes in the work which may be authorized or directed by the City, nor by the exercise or failure to exercise by or on behalf of the City any right or remedy provided by the contract or specifications or by any law or ordinances.

4. It is further understood that this obligation is incurred pursuant to Vernon's Annotated Civil Statutes, Article 5160, as amended and that this obligation is for the benefit and sole protection of all persons supplying labor and materials in the prosecution of said contract.

5. IN TESTIMONY WHEREOF, witness our hands and the seal of any incorporated surety hereon this \_\_\_\_\_ day of \_\_\_\_\_ A.D. 20 \_\_\_\_\_.

6. The foregoing bond is approved and accepted  
this \_\_\_\_\_ day of \_\_\_\_\_

**KGME, INC.**

20 \_\_\_\_\_

By \_\_\_\_\_  
**Able Godines, President and CEO**

\_\_\_\_\_  
City Manager

\_\_\_\_\_  
Surety

(SEAL)

By \_\_\_\_\_

\_\_\_\_\_  
Address of Surety for Service Purposes

PERFORMANCE BOND

STATE OF TEXAS                    )  
COUNTY OF BEXAR                )  
CITY OF SAN ANTONIO            )

Know all men by these presents:

1. That we **KGME, Inc., An Illinois Corporation, acting by and through Abel Godines, President and CEO,**  
as Principal, and

as Sureties, do hereby acknowledge ourselves to be held and firmly bound unto the City of San Antonio, a municipal corporation of the County of Bexar and State of Texas in the sum of **\$1,410,043.07** for payment of which sum well and truly to be made in and unto said City of San Antonio, we do hereby bind and obligate ourselves, our heirs, executors, administrators, assigns, and successors, jointly and severally:

2. THE CONDITIONS OF THIS BOND, HOWEVER, ARE SUCH THAT WHEREAS, the said  
**KGME, INC.**

hereinafter called Contractor or Principal, has made and does this day make and enter into a certain contract in writing with said City of San Antonio, for the construction and completion for said City of certain structures, work and improvements generally described as

**OCTAVIA #63 PHASE II – PART 1**

and for the performance and observance of diverse other matters and things in connection with said work; all as more fully described in said contract and its included instruments which are expressly made a part of this obligation.

3. NOW THEREFORE, if Contractor, the principal party to this obligation shall faithfully construct and complete said structures, work and improvements, and shall observe, perform and comply with all the terms, conditions, stipulations, undertakings and provisions of said contract and all included instruments, according to their intent and purpose insofar as the same relate to or are incident to the construction and completion of said structures, work and improvements then and thereupon this obligation shall be and become null and void, but otherwise to remain in full force and effect; and it is hereby further understood and agreed that this bond shall be a continuous obligation against the principal and each member of said principal party hereto, and each and all sureties hereon, and that successive recoveries may be had hereon for each and every breach of this bond until the full amount thereof shall have been exhausted; and the liability of the sureties on this bond shall not be in any manner released or diminished by any changes in the work which may be authorized or directed by the City, nor by the exercise or failure to exercise by or on behalf of the City any right or remedy provided by the contract or specifications or by any law or ordinance.

4. IN TESTIMONY WHEREOF, witness our hands and the seal of any incorporated surety hereon this

\_\_\_\_\_ day of \_\_\_\_\_ A.D. 20 \_\_\_\_\_.

5. The foregoing bond is approved and accepted

this \_\_\_\_\_ day of \_\_\_\_\_

20 \_\_\_\_\_

\_\_\_\_\_  
City Manager

(SEAL)

**KGME, INC.**

By \_\_\_\_\_  
**Able Godines, President and CEO**

\_\_\_\_\_  
Surety

By \_\_\_\_\_

\_\_\_\_\_  
Address of Surety for Service Purposes