

## **MEMORANDUM**

**TO:** Claire Powell, City Manager

**VIA:** Aaron Russell, P.E., Director of Public Services

**FROM:** Katelyn Hearon, Assistant Director of Public Services

**DATE:** August 4, 2025

**SUBJECT:** **Approval of a Bid Award for an Annual Requirements Agreement for Underground Utility Repairs to Four Star Excavating, Dallas, Texas, in the Estimated Amount of \$944,960; and Authorization for the City Manager, or Her Designee, to Execute the Agreement.**

### **BACKGROUND**

The Utility Line Maintenance (ULM) Division of the Public Services Department has significantly improved staffing levels since the original underground utility repair agreement was bid in 2022. At that time, the division had 14 vacancies representing half of its authorized positions, which severely impacted the division's ability to keep up with critical repairs. As of today, only two vacancies remain. However, the division is still operating approximately two to three weeks behind on active repair work orders due to high service demand and the complexity of certain repairs.

Historically, ULM staff performed nearly all water distribution and wastewater collection system repairs using in-house crews, except in select cases that required specialized expertise or equipment. In late 2021, staff began exploring the use of an annual requirements agreement to provide on-call support for underground utility repairs, aiming to supplement in-house capacity. A requirements contract is a type of agreement in which a buyer agrees to purchase all of its needs for a particular good or service exclusively from a specific seller during a defined period. The seller, in turn, agrees to supply as much of the product or service as the buyer requires. For this type of contract, the award amount is not indicative of the expected expenditure amount; it is merely used for bid comparison purposes.

While this agreement was originally intended to address a backlog of routine repairs, its primary utility has evolved. It is now more frequently deployed for emergency repairs and for those requiring deep excavations or involving larger-diameter water and sewer lines—tasks that exceed the capabilities of current City-owned equipment or staff expertise. The flexibility of the agreement allows the city to respond quickly to critical failures and complex repair needs without compromising ongoing operations and customer service responsiveness.

The proposed agreement allows for both scheduled and emergency repairs, with quantities estimated annually to provide budgetary guidance. Actual usage varies based on departmental staffing levels and utility system demands. ULM staff continue to oversee all contracted work to ensure consistency with City standards and to maintain quality control.

## **ANALYSIS**

A total of four bids were received on May 29, 2025, for the annual underground utility repair requirements. Specifications were created in accordance with the Texas Local Government Code Chapter 252.043. After evaluating all bids received, the apparent lowest responsible bidder is Four Star Excavating and is recommended for award in the estimated amount of \$944,960. Having successfully fulfilled this agreement during the previous years, Four Star Excavating has demonstrated reliability and consistent performance in delivering satisfactory results. Funding is available in the capital project titled Miscellaneous Water and Sewer Line Repair (U1910).

The proposal agreement is one (1) year, with the option to renew for three (3) additional one-year periods.

## **CITY STAFF'S RECOMMENDATION**

That the City Council approve the award and authorize the City Manager, or her designee, to execute the agreement as set forth in the caption above.