



**PUBLIC SERVICE BOARD MEETING
AGENDA ITEM
REGULAR MEETING
Wednesday, August 13, 2025**

SUBJECT

Increase of estimated annual expenditure under contracts awarded for CSP No. 30-23

BACKGROUND

On May 10, 2023, the Public Service Board (PSB) awarded Competitive Sealed Proposal (CSP) No. 30-23 to Double H Contracting, Inc., ZTEX Construction, Inc., and TAO Industries, Inc. dba Hawk Construction for on-call construction services related to street rights-of-way repairs connected to EPWater infrastructure work. The contracts established unit prices for an initial one-year term with two additional one-year renewal options. At the time of award, the PSB authorized an estimated combined annual expenditure of \$7,400,000 for all three contractors under this CSP.

During option year one, the actual demand for repair work significantly exceeded projections, resulting in aggregate expenditures surpassing the original \$7.4 million PSB authorization by an additional \$2,056,514.42. The increase in aggregate expenditures during option year one was driven by a higher-than-anticipated volume of emergency and scheduled repair work due to infrastructure conditions, service line replacements, and coordination with city street rehabilitation programs. These expenditures were necessary to maintain the safety, serviceability, and timely restoration of public rights-of-way impacted by EPWater infrastructure projects. None of the three contractors exceeded their individually awarded contract values, and all work performed was based on authorized unit pricing, scope, and contract provisions. Additional capacity is also needed for the option year two that will end in June 2026 by an additional estimated amount of \$4,600,000.

PRIOR PSB ACTION

- On May 10, 2023, the PSB awarded CSP No. 30-23, On-Call Construction Services for the Repair of Street Rights-of-Way
- On July 9, 2025, the PSB approved Change Order No. 1 increasing the contract price for Double H by 24.04%

UTILITY KPI ALIGNMENT

Increase Customer Satisfaction & Confidence

EVALUATION PROCESS

EPWater staff reviewed all work orders, invoices, and supporting documentation to verify alignment with contract unit prices and scopes of work. To prepare for the final renewal year, staff conducted a forecast analysis of anticipated repair demands and consulted historical expenditure data. The evaluation supports increasing the estimated annual amount to \$12,000,000 to ensure continued responsiveness, efficiency, and compliance with public safety and service restoration standards.

FINANCIAL IMPLICATIONS

Sufficient funds were available in various accounts. This expenditure is part of the FY2025-26 budget.

PROPOSED ACTION REQUESTED

Consider and approve a ratification of expenditures in the amount of \$2,056,514.42 beyond the original authorized annual expenditure amount of \$7,400,000 under CSP No. 30-23 On-Call Construction Services for the Repair of Street Rights-of-Way for option year one and authorize an increase in the overall expenditure limit for option year two of the contract by an additional estimated \$4,600,000 for a total estimated amount of \$12,000,000.

SUPPORTING DOCUMENTATION PROVIDED

- None