

STATE OF TEXAS

COUNTY OF BRAZORIA

CITY OF BRAZORIA

The City of Brazoria convened in a Special Meeting on November 23, 2021 at 4:30 p.m. with the following to-witt:

Roger Shugart	Mayor
Bill Lott	Councilman Position #1
Gail Logsdon	Councilwoman Position #2
Gary Kersh	Mayor Pro-Tem
Frank Quinty Jr.	Councilman Position #4
Susan Parker	Councilwoman Position #5

City Personnel Present:

Tracy Kennedy	Deputy Court Clerk
Mike Collard	City Manager
R. C. Stevenson	City Attorney

Others Present:

Bridgette Begle	Olson & Olson
Mark Rudolph	Strand Engineers

A. Call to order Special Meeting.

Mayor Shugart called to order the Special Meeting at 4:30pm

B. Invocation and Pledge to American and State flag.

Mayor Shugart gave the invocation and led the pledges to the American and State flags

C. Consideration/Action to approve Resolution #21-008 awarding bid to CFG Industries LLC to complete the Elevated and Ground Storage Tank Rehabilitation Project.

City Manager Mike Collard explained where the City is on the Ground Storage Tank and Water Tower Rehabilitation project. He explained that Cherokee painting has completed mostly and only the ground storage tank. Cherokee painting has only done some removal work on the water tower. He explained that the City had a verbal agreement to wait until October 2021 to complete the project, which was supposed to be followed up with a written agreement. The paperwork was sent, but never followed up with by Cherokee painting. Later, the City of Brazoria found out that Cherokee had gone under. We contacted FCCI Insurance Company (Surety), and they came here to look at the project, see what work is remaining. Surety then went out for bids to finish the remaining work. Through conference calls with the City of Brazoria, Strand Engineering, the City Prosecutor Charlie Stevenson, and Surety. Surety gave the City an option to consider to finish the work. Surety received 5 bids to finish this project, and decided to go present an option from the lowest bidder at a cost of just over \$600,000.00 and would receive a new Surety bond for the new contract. Mr. Collard stated that Bridget Begle of Olson & Olson is here to explain the options for the City Council to consider.

Bridgette Begle of Olson & Olson came to explain two (2) options for the City of Brazoria to consider to complete this project. Bridgette explained that there is approximately \$56,000.00 remaining payable to a sub-contractor for work that has been completed under the original contractor Cherokee Painting. Option 1 is the Tender Agreement. The Tender Agreement is with Surety. The City of Brazoria will release Surety from the original contract and pay \$56,000.00 to Surety and they would pay it to the sub-contractor for work that has already been completed, and is still owed the sub-contractor. The City of Brazoria can then move forward with the Takeover Option, signing up for the roughly \$681,000.00 completion contract. Option 2 is the Takeover Agreement. The City of Brazoria would sign the contract, awarding the bid to a new contractor, but not release the \$56,000.00 today to Surety. The City of Brazoria would attempt to keep the money with the City by having Surety absorb the money owed the sub-contractor and pay them directly. Bridgette advised this may not be successful, and could lead to a law suit and litigation.

Mayor Pro-Tem Kersh asked if the City of Brazoria would be over \$200,000.00 more than was originally agreed to. It was explained to him that approximately \$300,000.00 of the original \$808,000.00 contract has been spent on the ground storage tank. The new bid is for roughly \$681,600.00 to complete the water tower. The City of Brazoria is responsible for the additional \$181,000.00 cost over the original contract, which includes the \$56,000 owed the sub-contractor. Bridgette Begle explained that of the 5 bids that were received in May, this bid is the only one that is still available, and happens to be lowest bid.

City Manager Mike Collard asked Mark Rudolph with Strand Engineering if anyone has spoken with the contractor as to their availability to start the work. He stated that per the contract, the contractor would have 141 days to complete the work once contract is awarded. City Manager Mike Collard said that the work could not begin until after the first of the year due to the BWA chlorine conversion in December. Mr. Rudolph stated that he has looked into the contractor's financials, and did not see a reason to reject them, but there is no guarantee they will not go under before the job is finished like the current company. Councilman Lott asked if Cherokee left anything behind. City Manager Collard said there was a big sand hopper left behind.

Councilwoman Logsdon made motion to approve Resolution #21-008, A resolution of the city council of the City of Brazoria, Texas, authorizing the City Manager to execute a takeover agreement with CFG industries LLC's accepting their bid proposal in the amount of \$681,600.00 for the completion of work in the elevated and ground storage tank rehabilitation project. A second made by Mayor Pro-Tem Kersh. Motion carried unanimously.

Councilwoman Logsdon made motion to authorize City Manager Collard and Olson & Olson to go after Surety to get the \$56,000.00 or a portion of it. A second was made by Mayor Pro-Tem Kersh. Motion carried unanimously.

D. Adjourn Special Meeting.

Mayor Shugart adjourned the Special Meeting at 5:01pm.

Roger Shugart, Mayor

A T T E S T:

Sheila Williams, City Secretary