



September 23, 2016

Dear Citizens:

Recently, the City of Corsicana was requested to repay a grant received in 2013 for a new water line to serve the East Collin area. The Texas Department of Agriculture determined that the appearance of a conflict of interest existed between the Engineer and the Contractor used on the project. There are three facts that the citizens need to know about this that were not clear in a recent Corsicana Daily Sun article.

First, the City was aware of the relationship between the Engineer and the Contractor. There is no conflict with state law that prohibits an engineer from owning a construction company and there is no legal reason that the two companies could not do work for the City on any other project. The arrangement is common and used all over the state. The fact that this project included Federal dollars changed the regulations.

Secondly, there was discussion and full disclosure of the relationship to the grant consultant hired by the City to administrate the grant. The consultant should have filed the required waiver and did not. The Contractor and the City were under the impression that all necessary submittals were made.

Finally, the Council made the decision to repay the amount rather than agree to the other sanctions proposed by the TDA and lose current or future grant money. The Citizens received a much needed water line in a neighborhood that benefitted from additional water pressure and fire protection. The project was constructed using the best bid and a qualified contractor. I hope this clarifies the facts the Council used in making their decision.

Sincerely,

Chuck McClanahan  
Mayor