



AGENDA MEMORANDUM
Action Item for the City Council Meeting of August 20, 2019

DATE: August 12, 2019

TO: Peter Zaroni, City Manager

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Construction Contract
Water Line Replacement Program
(Capital Improvement Program)

CAPTION:

Resolution rejecting the apparent low bid of Abel's Paving & Construction as non-responsive and authorizing the City Manager to award an Indefinite Delivery/Indefinite Quantity (IDIQ) construction contract to CPC Interests, LLC d/b/a Clark Pipeline Services, LLP as the lowest responsive bidder, in an amount not to exceed \$1,800,000 for the Water Line Replacement IDIQ Program for one year with two (2) optional one-year administrative renewals for a total contract price of \$5,400,000 with current funding available from the Water Capital Improvement Program. This contract begins upon the issuance of Notice to Proceed.

PURPOSE:

To approve the award of the Water IDIQ construction contract to implement various water line improvements for small diameter pipelines citywide.

BACKGROUND AND FINDINGS:

This project is part of the strategic lifecycle program to address aging infrastructure of the water distribution system (1,368 miles). The program is flexible and provides a systematic approach to replace and extend the life of aging waterlines while enhancing water quality. Additional benefits will include increased distribution reliability with reduced service outages and reduced operational costs.

This is the first small diameter pipe IDIQ replacement project. The City has used numerous IDIQ replacement projects for large diameter pipe. Both of these projects were developed to compliment the capabilities of in-house crews to sustain reliable water distribution. The water line

lifecycle replacement program will be comprised of in-house crews supplemented with two water line IDIQ projects; one for large diameter lines up to 18-inches, and one for small diameter lines from 4-inches to 8-inches.

The overall program identifies, prioritizes, and implements specific capital improvement projects to extend the service life with improved capacity and water quality, and to reduce long-term maintenance costs. The IDIQ provides for real time engineering solutions and early contractor involvement to minimize cost and change orders. The project site is walked by City staff, engineering consultant, and contractor to determine the best solution. Contractor's bid prices are then used to develop the most cost-effective solutions for a variety of improvements for small diameter pipes.

The project was planned, programmed and advertised with a fixed price construction contract up to the amount of \$1,800,000 annually with a one-year base period and two (2) one-year renewal options for a total of up to three years. The contractor is not guaranteed a minimum or maximum amount. The contractor must successfully provide quality and timely construction as required by the DO's. Renewal years will be administratively authorized by the City Manager, or designee, subject to availability of funds and satisfactory performance.

This project provides for small diameter water line improvements primarily for replacement of galvanized waterlines within the City's water distribution system with new Polyvinyl Chloride pipe (PVC). Multiple Delivery Orders will be issued with a detailed scope with site drawings, quantities and schedules. The Delivery Orders may include a full range of repair and replacement methodologies including open trenching, pipe bursting, horizontal drilling with new valves, fittings, fire hydrants, etc. and surface restoration of sidewalks, roadways, and landscaping.

On June 26, 2019 the City received proposals from three (3) bidders. A summary of bids is provided below.

BID SUMMARY	
CONTRACTOR	BASE BID
CPC Interests, LLC dba Clark Pipeline Services, LLP Corpus Christi, Texas	\$1,695,837.60
Bridges Specialties, Inc. Robstown, Texas	\$1,838,225.00
Abel's Paving & Construction, Inc. Corpus Christi, Texas	\$1,655,295.90
<i>Engineer's Opinion of Probable Cost</i>	<i>\$1,800,000.00</i>

The City analyzed all three proposals submitted in accordance with contract documents and determined lowest responsive bidder was Clark Pipeline Services. Abel's Paving was determined as non-responsive with the failure to demonstrate sufficient experience and capacity to perform the work as required by the contract documents.

Each contractor was required to submit five (5) similar/relevant projects within the last five years to be considered for award. City staff and the design engineer requested this information and met with Abel's Paving to discuss compliance with the requirement. It was concluded that currently, the firm has no such relevant projects. Clark Pipeline Services submitted the five successfully completed and relevant projects within the last five years as required.

ALTERNATIVES:

The small diameter pipeline replacement must be by City in-house crews or the large diameter IDIQ project. Using in-house crews requires redirecting crews away from critical water repair

activities and may result in significant backlog of work. Using the large diameter IDIQ is not as cost effective and may delay more critical replacement of major distribution and transmission lines.

OTHER CONSIDERATIONS:

N/A

CONFORMITY TO CITY POLICY:

Complies with statutory requirements for construction contract procurement. Conforms to FY 2019 Capital Improvement Planning (CIP) Budget.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Water Utilities Department

FINANCIAL IMPACT:

<input type="checkbox"/> Operating		<input type="checkbox"/> Revenue		X Capital	<input type="checkbox"/> Not applicable
Fiscal Year 2018-2019	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS	
Budget		6,000,000	12,000,000	18,000,000	
Encumbered / Expended Amount		49,360	148,080	197,440	
This item		1,800,000	3,600,000	5,400,000	
Future Anticipated Expenditures This Project		190,000	570,000	760,000	
BALANCE		3,960,640	7,681,920	11,642,560	

Water CIP Sequence No. 14

Fund: Water Cap Resv Fund 4480

Project: 19010A

Account: 550910

Activity: 19010-A-4480-EXP

RECOMMENDATION:

Staff and Urban Engineering recommend awarding the construction contract to Clark Pipeline Services, LLP. in the amount of \$1,800,000 annually for total contract value of \$5,400,000.

LIST OF SUPPORTING DOCUMENTS:

Location Map

Presentation

Letter of Recommendation

Bid Tab