



AGENDA MEMORANDUM

Future Item for the City Council Meeting of November 15, 2016
Action Item for the City Council Meeting of December 13, 2016

DATE: November 3, 2016

TO: Margie C. Rose, City Manager

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<p style="text-align: center;"><u>Engineering Construction Contract</u> Alternative Capacity Power Generation Staples and Navigation Water Pump Station (Capital Improvement Project)</p>
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CAPTION:

Motion authorizing the City Manager, or designee, to execute a construction contract with McDonald Municipal & Industrial of Houston, Texas in the amount of \$868,869 for the Alternative Capacity Power Generation - Staples and Navigation Water Pump Station for the Total Base Bid.

PURPOSE:

The purpose of this agenda item is to obtain authority to execute a construction contract for the Alternative Capacity Power Generation - Staples and Navigation Water Pump Station for the Total Base Bid.

CIP Description: Alternative Capacity Power Generation

This project is the first phase of the Texas Commission on Environmental Quality Alternative Capacity Requirement Implementation Plan to provide emergency back-up power at the Staples Pump Station and Navigation Pump Station which are critical to the water distribution pumping facilitates.

BACKGROUND AND FINDINGS:

This construction contract allows for the installation of two diesel power generators at the Navigation and Staples Pump Stations, respectively, to allow for continued operation at these critical pump stations during a power outage, as well as minor electrical modifications at the O.N. Stevens Water Treatment Plant.

In June 2012, the Texas Commission on Environmental Quality (TCEQ) approved the City's Alternative Capacity Requirement (ACR) Implementation Plan to replace four existing elevated storage tanks (ESTs) at Pressure Zone 1 (including the O.N. Stevens Water Treatment Plant and three pump stations) with four new ESTs in four phases over a nine-year period. This Plan increases the combined capacity of elevated storage for Pressure Zone 1 from current 3.5 Million Gallon (MG) to 7.5 MG.

In August 2012, Bath Engineering was selected as the Design Engineer through Request for Qualifications No. 2012-03 Bond Issue 2012 and CIP Projects.

In July 2014, the City administratively awarded Bath Engineering a professional services contract to perform a feasibility study identifying the best choice of two emergency power generators for the City. Based on the feasibility study, the recommendation was to install diesel power generators with fuel system at the Navigation and Staples Pump Stations. This recommendation will minimize the construction cost and shorten the construction duration for these two emergency generators.

In May 2015, the City executed Amendment No. 1 to the contract with Bath Engineering for the design of the pump station improvements as recommended in the 2014 feasibility study.

On April 19, 2016, City Council approved construction of the second phase of ACR Implementation for one EST at Holly Road and one EST at Rand Morgan Street. The construction will start in middle of June, 2016 and complete in early 2018.

In May 2016, City Council approved the award of the design contracts for phases 3 and 4, new elevated storage tanks at Starry Road and Nueces Bay Blvd.

The table below outlines the four phases of the City's ACR Implementation Plan:

Phase	Description	Status
1	Construct 2 new emergency generators located Navigation and Staple Pump Stations, respectively	Construction (THIS PROJECT)
2	Construct 2 new EST's; 3.0 MG at the Holly Road Pump Station and 0.75 MG EST at the Rand Morgan Street	Construction
3	Construct a new 2.5 MG EST at the Starry Road on City-owned property	Design
4	Construct a new 1.25 MG EST at the Nueces Bay Blvd at undetermined site	Design
	Note: Phase 3 & 4 IS combined as single contract to improve efficiencies and cost effectiveness.	

On October 12, 2016, the City received proposals from two (2) bidders and the respective bids were as follows:

CONTRACTOR	BASE BID (INCLUDES ALLOWANCE) *
McDonald Municipal & Industrial Houston, Texas	\$868,869
Rabalais I&E Constructors Corpus Christi, Texas	\$1,173,960
Engineer's Opinion of Probable Construction Cost	\$1,180,000

*Includes an allowance of \$20,000 for all bidders for AEP Electric Utility.

The City's consultant, Bath Engineering analyzed the two proposals and recommended the project be awarded to McDonald Municipal & Industrial. Based on a review of McDonald Municipal & Industrial's experience and resources, McDonald Municipal & Industrial is qualified to provide the construction services for the project.

ALTERNATIVES:

1. Authorize the execution of the construction contract. (Recommended)
2. Do not authorize the execution of the construction contract. (Not Recommended)

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

Conforms to City Fiscal Policy. This item requires a 2/3 majority vote as per City Charter requirements.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Utilities Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2016-2017	Project to Date Expenditures	Current Year	Future Years	TOTALS
Line Item Budget (CIP)		\$1,398,300		\$1,398,300
Encumbered / Expended Amount		\$170,640		\$170,640
This Item		868,869		868,869
Future Anticipated Expenditures This Project		224,731		224,731
BALANCE		\$134,060		\$134,060

Fund(s): Water CIP #2

Comments: This project requires approximately 180 days for construction with anticipated completion June 2017. The construction contract will result in the expenditure of an amount not to exceed \$868,869.

RECOMMENDATION:

City Staff recommends approval of a construction contract with McDonald Municipal & Industrial of Houston, Texas in the amount of \$868,869 for the Alternative Capacity Power Generation - Staples and Navigation Water Pump Station for the Total Base Bid.

LIST OF SUPPORTING DOCUMENTS:

Project Budget
Location Map
Presentation
Form 1295