



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of January 24, 2017  
Action Item for the City Council Meeting of January 31, 2017

**DATE:** December 21, 2016

**TO:** Margie C. Rose, City Manager

**THRU:** Mark Van Vleck, Assistant City Manager  
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**Construction Contract and Professional Services Contract  
Cefé F. Valenzuela Landfill Gas Collection and Control System  
(Capital Improvement Project)**

### **CAPTION:**

Motion authorizing the City Manager, or designee, to execute a construction contract with Tri Con Works, LLC. of Houston, Texas in the amount of \$1,019,690 for the Cefé F. Valenzuela Landfill (CFVL) Gas Collection and Control System (GCCS) for the total base bid and to execute a contract for Construction Phase Engineering and Quality Assurance Services with SCS Engineers, Inc. from Austin, Texas in the amount of \$268,000 for full-time construction management. (Capital Improvement Project)

### **PURPOSE:**

The purpose of this Agenda Item is to obtain authority to execute a construction contract and a professional services contract for full-time construction phase support on the CFVL GCCS.

### **BACKGROUND AND FINDINGS:**

CFVL is the City's newest and only active landfill and is considered a Regional Landfill with the capacity to serve the Coastal Bend and other adjacent areas. CFVL has been in operation for 9 years, since the official closure of J. C. Elliott Landfill.

As the incoming waste is managed and properly landfilled, it naturally decomposes and produces landfill gases, primarily methane. Methane is a greenhouse gas that is regulated by Environmental Protection Agency (EPA). (See Attached Contract with SCS Engineers)

The GCCS consists of a series of vertical wells. The flare was procured by separate action to expedite the procurement of the flare, and to save overhead and markup expenses.

SCS was previously selected to provide ongoing technical and administrative support for the City's two landfill operations and air compliance permitting. SCS will be providing full-time construction phase support throughout the project.

On December 14, 2016, the City received proposals from five (5) bidders and the bid is as follows:

<b>Contractor</b>	<b>Base Bid</b>
<b>Tri Con Works, LLC Houston, Texas</b>	<b>\$1,019,690.00</b>
American Environmental Group, LTD. Richfield, Ohio	\$1,374,325.00
CB&I Environmental & Infrastructure, Inc. Baton Rouge, Louisiana	\$1,397,740.00
Belair Builders, Inc. New Brighton, Minnesota	\$1,964,545.00
Landmarc Environmental System, LLC. Naperville, Illinois	\$1,348,762.80
<b><i>Engineer's Estimate</i></b>	<b><i>\$1,525,360.00</i></b>

**ALTERNATIVES:**

1. Authorize execution of a construction contract and a contract for professional services. (Recommended)
2. Do not authorize execution of a construction contract nor a contract for professional services. (Not Recommended)

**OTHER CONSIDERATIONS:**

The City currently flares the landfill gas at the closed J.C. Elliot (former municipal) Landfill. The City has attempted to develop a commercial gas to energy project at J.C. Elliot since 2005, but has not been successful due to the low market prices of gas. The flare assembly in this item is designed to allow for the development of a gas-to-energy project in future should it become economically feasible in the future.

**CONFORMITY TO CITY POLICY:**

Complies with statutory requirements for construction contracts. Conforms to FY 2016-2017 Capital Improvement Planning (CIP) Budget.

**EMERGENCY / NON-EMERGENCY:**

Not applicable

**DEPARTMENTAL CLEARANCES:**

Solid Waste Department

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

<b>Fiscal Year 2016-2017</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget		\$2,500,000		\$2,500,000
Encumbered / Expended Amount				
<b>This item</b>		<b>\$1,287,690</b>		<b>\$1,287,690</b>
Future Anticipated Expenditures This Project		186,774		186,774
<b>BALANCE</b>		<b>\$1,025,536</b>		<b>\$1,025,536</b>

Fund(s): Solid Waste Certificates of Obligation issued FY 2017.

**Comments:** The remaining balance will be used for the Flare purchase and other Solid Waste capital expenses required throughout the year.

**RECOMMENDATION:**

SCS Engineers, and City staff, recommend award of a construction contract to Tri Con Works, LLC. in the amount of \$1,019,690. Staff is also recommending a professional services contract with SCS Engineers, Inc. in the amount of \$268,000 for construction oversight during installation of the Cefé Valenzuela Landfill Gas Collection and Control system. The award recommendation for construction is based on the determination that Tri Con Works, LLC. was the lowest responsive and responsible bidder.

**LIST OF SUPPORTING DOCUMENTS:**

- Project Budget
- Location Map
- Contract for Professional Services
- Presentation
- Form 1295 – Tri Con Works, LLC
- Form 1295 – SCS Engineers
- Letter of Recommendation