



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of March 19, 2019  
Action Item for the City Council Meeting of March 26, 2019

**DATE:** February 14, 2019

**TO:** Keith Selman, Interim City Manager

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**Construction Change Order & Professional Services Amendment**  
**City-Wide Water Distribution System Repair and Replacement**  
**Indefinite Delivery/Indefinite Quantity Program (IDIQ)**  
**(Capital Improvement Program)**

**CAPTION:**

Motion to authorize execution of Change Order No. 1 with CPC Interests, LLC dba Clark Pipeline Services, LLP of Corpus Christi, Texas in the amount of \$1,275,000 for a total restated fee of \$6,375,000 and Amendment No. 1 to the Professional Services Contract with Urban Engineering of Corpus Christi, Texas in the amount of \$451,746 for a total restated fee not to exceed \$802,256, for the City-Wide Water Distribution Repair and Replacement IDIQ Program (Capital Improvement Program).

**PURPOSE:**

The construction change order and engineering amendment provide for additional contract capacity to complete critical water line infrastructure improvements.

**BACKGROUND AND FINDINGS:**

City-Wide Water Distribution System Repair and Replacement IDIQ Program provides an extensive list of repetitive construction activities and unit prices to address a wide range of improvements to various pipe sizes, material types, depths and conditions. The Water IDIQ project has been successfully developed and executed over the last ten years with overall

reduced cost and time of execution. The construction IDIQ contract is a multi-year contract with an undetermined number of Delivery Orders. The Delivery Orders are prepared post-award with construction commencing almost immediately to implement major improvements, repairs, and rehabilitation, as needed. Each Delivery Order (DO) is based on contractor unit bid prices to determine the most cost-effective solution.

On March 28, 2017, City Council awarded a construction contract to CPC Interests, LLC for the Water IDIQ Program with a total duration of three years with a 1-year base contract in the amount of \$5.1M plus two optional 1-year extensions with a total contract value of \$15.3M. The base year included 11 delivery orders and is nearing construction completion within the \$5.1M. The second year (option year 1) was administratively authorized in July 2018 with 10 delivery orders issued, fully obligating the available \$5.1M. The remaining capacity in years 2 and 3 is insufficient to meet the immediate needs to sustain water quality and pressures with the introduction of two new elevated storage tanks (Holly Road and Rand Morgan Road). The third-year renewal is planned to be administratively executed in the next 90 days. Years 1 through 3 are fully funded under the Water Department Capital Improvement Program.

The proposed change order in the amount of \$1.275M (25% of the annual contract value) increases contract capacity from \$5.1M to \$6.375M. The additional capacity allows further critical line improvements to sustain water quality, flows, and pressures. Change order No. 1 funding in the amount of \$1,275,000 is proposed from Water Capital Reserves.

On July 31, 2018, City Council awarded a professional services contract to Urban Engineering for implementation of delivery orders for field investigations and analysis to prepare deliver orders for the first renewal year with technical support during construction. The base year engineering services was awarded by separate contract with subsequent year engineering planned with in-house City staff. Due to resource limitations, the outside engineering was necessary for the renewal years and additional capacity for the proposed change order.

This amendment provides for engineering and construction technical support for the final year with additional change order capacity. The amendment also includes preparation of bid documents for a new multi-year Water IDIQ contract.

The increased capacity for this Water IDIQ contract is critical to support the ACR (Alternative Capacity Requirement) Program and upcoming Bond 2018 Residential Street Rebuild Program, the Street Preventative Maintenance Program and citywide distribution infrastructure improvements. The new Water IDIQ construction contract is planned in the CIP over the next three fiscal years in the amount of \$6M per year for three years and total value of \$18M.

#### **ALTERNATIVES:**

1. Authorize execution of Change Order and Amendment 1. (Recommended)
2. Do not authorize execution of Change Order and Amendment 1. (Not Recommended)

#### **OTHER CONSIDERATIONS:**

Urban Engineering was selected for this project as a result of RFQ 2018-01.

#### **CONFORMITY TO CITY POLICY:**

Complies with statutory requirements for construction contracts. Conforms to FY 2018-2019 Capital Improvement Planning (CIP) Budget.

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Water Utilities Department

**FINANCIAL IMPACT:**

Operating       Revenue       **Capital**       Not applicable

<b>Fiscal Year 2018-2019</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Budget	360,716	7,320,665		7,681,381
Encumbered / Expended Amount	360,716			360,716
<b>This item</b>		<b>1,726,746</b>		<b>1,726,746</b>
Future Anticipated Expenditures This Project		5,593,919		5,593,919
BALANCE	0	0		0

Fund(s): Water CIP No. 17

**RECOMMENDATION:**

Staff recommends the approval of Change Order No. 1 with CPC Interests, LLC, and approval of Amendment No. 1 with Urban Engineering for the City-Wide Water Distribution System Repair and Replacement IDIQ Program.

**LIST OF SUPPORTING DOCUMENTS:**

- Project Budget
- Location Map
- Presentation
- Amendment No. 1
- Change Order No. 1