



AGENDA MEMORANDUM

Future Item for the City Council Meeting of February 18, 2014
Action Item for the City Council Meeting of February 25, 2014

DATE: February 6, 2014

TO: Ronald L. Olson, City Manager

THRU: Mark Van Vleck, P.E., Interim Assistant City Manager for Public Works and Utilities
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FROM: Gustavo Gonzalez, P.E., Executive Director, Utilities
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Engineering Contracts

Mary Rhodes Pipeline Phase 2
Pipeline Sections A, B, and C and
Pump Stations/Sedimentation Basin

CAPTION:

Motion authorizing the City Manager, or designee, to execute a construction contract with Garney Companies, Inc. of Kansas City, Missouri in the amount of \$84,121,405, for the Mary Rhodes Pipeline Phase 2: Pipeline Sections A, B, and C for the base bid and the fiber optic additive alternate for all pipeline sections; and to execute a construction contract with Oscar Renda Contracting of Roanoke, Texas in the amount of \$29,167,288, for the Mary Rhodes Pipeline Phase 2: Pump Stations/Sedimentation Basin for the base bid; and to execute Amendment No. 10 to the contract for professional services with Freese and Nichols, Inc. of Corpus Christi, Texas in the amount of \$3,965,785, for a total restated fee not to exceed \$15,301,288 for Mary Rhodes Pipeline Phase 2 for construction management and construction observation services; and to execute a contract with AGCM, Inc. of Corpus Christi, Texas in the amount of \$1,679,942, for Mary Rhodes Pipeline Phase 2 for construction observation services.

PURPOSE:

The purpose of this Agenda Item is to obtain authority to execute the construction contracts and construction management/construction observation contracts for Mary Rhodes Pipeline Phase 2.

BACKGROUND AND FINDINGS:

Construction Contract for Pipeline Sections A, B, and C

Pipeline Section A will include construction of approximately 73,000 linear feet of 54-inch pipeline. Also included is approximately 1900 linear feet of horizontal directionally drilled 48-inch pipeline.

Pipeline Section B will include approximately 75,000 linear feet of 54-inch pipeline.

Pipeline Section C will include approximately 67,000 linear feet of 54-inch pipeline. Also included is approximately 1700 linear feet of horizontal directionally drilled 48-inch pipeline, a 6 million gallon ground storage tank and tie-in to an existing pipeline.

There is also a fiber optic additive alternate for each pipeline section.

On December 11, 2013, the City received proposals from four (4) bidders and their respective bids are as follows:

Contractor	Base Bid Combined A, B, and C (Steel Pipe)	Base Bid Combined A, B and C (Bar-Wrapped Concrete Pipe)	Fiber Optic Additive Alternate for Sections A, B, and C	Total Combined A, B, and C (Bar-Wrapped Concrete Pipe) and Fiber Optic
Garney Companies, Inc. Kansas City, MO	\$84,894,539.00	\$82,346,659.00	\$1,774,746.00	\$84,121,405.00
Texas Sterling Construction Co. Houston, TX	\$98,136,983.70	\$83,446,599.70	\$3,412,174.00	\$86,858,773.70
Layne Heavy Civil, Inc. Fairburn, GA	\$54,930,902.00 (Provided A&B only)	\$53,266,376.00 (Provided A&B only)	\$1,278,725.00 (Provided A&B only)	-
BAR Constructors, Inc. Lancaster, TX	\$56,578,133.50 (Provided A&B only)	\$58,084,077.50 (Provided A&B only)	\$1,269,326.00 (Provided A&B only)	-

The City's Consultant Engineer, Freese and Nichols, Inc., conducted a bid analysis of the four (4) proposals submitted to the City. The lowest bidder, based on the total base bid and the fiber optic additive alternate for all pipeline sections is Garney Companies, Inc. of Kansas City, Missouri. Based on the information submitted by the contractor, Garney Companies, Inc. has the experience and resources to complete the project.

The Opinion of Probable Construction Cost provided by the Consultant Engineer is \$100,078,000 for the bar-wrapped concrete steel cylinder pipe material and includes a ten-percent contingency.

Construction Contract for Pump Stations/Sedimentation Basin

The construction includes:

- two earthen sedimentation basins with capacities of approximately 12 million gallons each;
- low-pressure River Pump Station (RPS) capable of transferring 46 million gallons per day to the sedimentation basins. The intakes for the River Pump Station will be micro tunneled river intakes with screens placed in the Colorado River; and
- high-pressure Booster Pump Station (BPS) capable of transferring 46 million gallons per day to the existing Mary Rhodes water transmission system.

On December 11, 2013, the City received proposals from two (2) bidders and their respective bids are as follows:

Contractor	Base Bid
Oscar Renda Contracting Roanoke, TX	\$29,167,288
Layne Heavy Civil, Inc. Dallas, TX	\$35,996,341

The City's Consultant Engineer, Freese and Nichols, Inc., conducted a bid analysis of the two (2) proposals submitted to the City. The lowest bidder, based on the total base bid is Oscar Renda Contracting of Roanoke, Texas. Based on the information submitted by the contractor, Oscar Renda Contracting has the experience and resources to complete the project.

The Opinion of Probable Construction Cost provided by the Consultant Engineer is \$30,983,000. This estimate includes ten-percent contingency and five-percent mobilization.

Construction Management and Construction Observation Services

Freese and Nichols, Inc. will perform construction management services for the project and construction observation services for Pump Stations and Sedimentation Basin for 16 months and Pipeline Section C for 14 months.

The construction observation services of Pump Stations and Sedimentation Basin include daily inspection for construction of:

- a. Two earthen sedimentation basins with capacities of approximately 12 million gallons each,
- b. Low-pressure River Pump Station (RPS) capable of transferring 46 million gallons per day to the sedimentation basins. The intakes for the River Pump Station will be micro tunneled river intakes with screens placed in the Colorado River, and
- c. High-pressure Booster Pump Station (BPS) capable of transferring 46 million gallons of water per day to the existing Mary Rhodes water transmission system.

The construction observation services of Pipeline Section C include:

- a. Approximately 67,000 linear feet of 54" pipeline,
- b. Approximately 1700 linear feet of horizontal directionally drilled 48" pipeline, and
- c. A 6 million gallon ground storage tank and tie-in to an existing pipeline.

Construction Observation Services

AGCM, Inc. will perform construction observation services for construction of Pipeline Sections A and B for 16 months. Pipeline Section A will include construction of approximately 73,000 linear feet of 54" pipeline and approximately 1,900 linear feet of horizontal directionally drilled 48" pipeline. Pipeline Section B will include approximately 75,000 feet of 54" pipeline.

ALTERNATIVES:

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

OTHER CONSIDERATIONS:

On December 10, 2013, the City Council approved the pre-purchase of pumps and motors for Mary Rhodes Phase 2 from Smith Pump Company, Inc. of Austin, Texas, for a total amount of \$4,554,446.20. The City will pay for five-percent of the pump and motors' pre-purchase

price and the contractor will pay for the remaining 95-percent, which is the amount included in the bid amount.

CONFORMITY TO CITY POLICY:

Conforms to City fiscal policy

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Utility Department

FINANCIAL IMPACT:

Operating Revenue Capital Not applicable

Fiscal Year 2013-2014	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget	\$11,694,978	\$53,013,025	\$96,240,000	\$160,948,003
Encumbered / Expended Amount	\$11,694,978	\$1,450,000		\$13,144,978
This Item (Garney Companies, Inc.)		\$28,040,468	\$56,080,937	84,121,405
This Item (Oscar Renda Contracting)		\$9,722,429	\$19,444,859	\$29,167,288
This Item (Freese and Nichols, Inc.)		\$1,321,928	\$2,643,857	\$3,965,785
This Item (AGCM, Inc.)		\$559,980	1,119,962	\$1,679,942
Future Anticipated Expenditures This Project		\$11,918,220	\$15,955,829	\$27,874,049
BALANCE	\$0	\$0	\$994,556	\$994,556

Fund(s): Water CIP #7

Comments: The construction contract for pipeline sections A, B, and C is 425 calendar days with anticipated completion April 2015. The construction contract will result in the expenditure of an amount not to exceed \$84,121,405. A portion of this contract, \$28,040,468, will be funded this FY 2013-2014 with the remaining amount, \$56,080,937, to be funded in FY 2014-2015.

The construction contract for the pump stations/sedimentation basin is 473 calendar days with anticipated completion June 2015. The construction contract will result in the expenditure of an amount not to exceed \$29,167,288. A portion of this contract, \$9,722,429, will be funded this FY 2013-2014 with the remaining amount, \$19,444,859, to be funded in FY 2014-2015.

The contract for construction management and construction observation services will result in the expenditure of an amount not to exceed \$3,965,785. A portion of this contract, \$1,321,928, will be funded this FY 2013-2014 with the remaining amount, \$2,643,857, to be funded in FY 2014-2015.

The contract for construction observation services will result in the expenditure of an amount not to exceed \$1,679,942. A portion of this contract, \$559,980, will be funded this FY 2013-2014 with the remaining amount, \$1,119,962, to be funded in FY 2014-2015.

RECOMMENDATION:

City staff recommends the construction contracts be awarded to Garney Companies, Inc. of Kansas City, Missouri, in the amount of \$84,121,405; and to Oscar Renda Contracting of Roanoke, Texas in the amount of \$29,167,288; and approval of the amended contract for professional services with Freese and Nichols, Inc. of Corpus Christi, Texas in the amount of \$3,965,785, for a total restated fee not to exceed \$15,301,288 for Mary Rhodes Pipeline Phase 2 for construction management and construction observation services; and approval of the contract with AGCM, Inc. of Corpus Christi, Texas in the amount of \$1,679,942, for Mary Rhodes Pipeline Phase 2 for construction observation services.

LIST OF SUPPORTING DOCUMENTS:

Project Budget
Location Map
Contracts
Presentation