



## AGENDA MEMORANDUM

Future Item for the City Council Meeting of May 22, 2018  
Action Item for the City Council Meeting June 12, 2018

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**DATE:** May 22, 2018

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

**FROM:** Dan Grimsbo, Executive Director of Utilities  
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**Maintenance Services for Mary Rhodes Phase 2 Pumps & Motors for a Three-year Service Agreement not to Exceed \$636,717, with Two One-year Options with a Total Potential Multi-year Amount of Up to \$1,061,195.00**

### **CAPTION:**

Motion authorizing a three-year service agreement with Smith Pump Company, Inc., of Austin, Texas, for maintenance services for Mary Rhodes Phase 2 pumps & motors for a total amount not to exceed \$636,717.00, with two one-year options for a total potential multi-year amount of \$1,061,195.00.

### **PURPOSE:**

The service agreement will provide maintenance services for the Mary Rhodes Phase 2 pumps and motors intake facilities; River Pump Station and Booster Pump Station both located in Matagorda County near Bay City, Texas.

### **BACKGROUND AND FINDINGS:**

A maintenance agreement had been authorized by City Council on December 13, 2013 approving the pre-purchase of pumps and motors for Mary Rhodes Phase 2 from Smith Pump Company Inc. of Austin, Texas based on lowest responsible proposer, pursuant to Request for Proposal BI-0198-13. This included total cost for pumps and motors and the maintenance agreement for a total expenditure of \$4,554,446.20.

Staff subsequently assigned this contract and the responsibility to oversee delivery of the pumps and motors and the initiation of this maintenance agreement to the construction contractor, Oscar Renda Contracting of Roanoke, Texas. The pumps were paid for in full except the portion assigned for the maintenance agreement. This represents a balance

of \$636,717.00, and said sum was deducted and withheld from Oscar Renda's Contract for their failure to execute this portion of the agreement.

The initial maintenance agreement terms indicated the period of performance should have started on September 1, 2016 but did not occur. Staff concurs that an acceptable remedy is to execute a new contract with Smith Pump Company reflective of the new period of performance which will start upon approval of this motion.

**ALTERNATIVES:**

None.

**OTHER CONSIDERATIONS:**

Not applicable.

**CONFORMITY TO CITY POLICY:**

This purchase conforms to the City's purchasing policies and procedures and State statutes regulating procurement.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency.

**DEPARTMENTAL CLEARANCES:**

Finance(Purchasing), Utilities

**FINANCIAL IMPACT:**

Operating       Revenue       Capital       Not applicable

| <b>Fiscal Year:<br/>2017-2018</b> | <b>Current Year</b> | <b>Future Years</b> | <b>Totals</b>  |
|-----------------------------------|---------------------|---------------------|----------------|
| Line Item Budget                  | \$88,500.00         | \$972,762.00        | \$1,061,262.00 |
| Encumbered / Expended Amount      | \$0.00              | \$0.00              | \$0.00         |
| This item                         | \$88,433.00         | \$972,762.00        | \$1,061,195.00 |
| BALANCE                           | \$67.00             | \$0.00              | \$67.00        |

Fund(s): Water Fund 4010

**Comments:** The initial contract is for an amount not to exceed \$636,717.00, of which \$88,433.00 is funded in the Water Fund 4010 in FY2017-18 budget. The total contract value will be \$1,061,195.00 if option years are executed.

**RECOMMENDATION:**

Staff recommends approval of the motion as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Price Sheets  
Service Agreement