



AGENDA MEMORANDUM

Future item for the City Council Meeting of October 9, 2012
Action item for the City Council Meeting of October 16, 2012

DATE: September 24, 2012

TO: Ronald L. Olson, City Manager

FROM: Gustavo Gonzalez, Director of Water Operations
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361-826-1874

Payment authorization for Mary Rhodes Pipeline Repair

CAPTION:

Motion to authorize payment of \$95,512.04 for Mercer Construction Company for emergency repair to Mary Rhodes Pipeline.

PURPOSE:

The water department requires the assistance of an outside contractor to expeditiously determine and repair water leaks when they occur on Mary Rhodes Pipeline. This unforeseen leak was identified on July 30, 2012 and had to be fixed immediately to provide water supply and protect the public health of the municipality's residents.

BACKGROUND AND FINDINGS:

At 12:30 p.m. on July 30, 2012, a water leak was discovered on the Mary Rhodes Pipeline, South of Lake Texana. The Pipeline Manager notified the Water Department Director, other Water Department employees, the Purchasing Department, contacted a pipeline contractor and made arrangements to meet the contractor the following morning (July 31) at the leak site.

Upon inspection of the site, in order to determine the extent of the leak, the Pipeline Manager requested the contractor to mobilize the following morning (August 1).

Purchasing contacted the contractor prior to mobilization (July 31), secured the necessary insurance coverage, submitted a service contract and received the signed contract during mobilization (Aug.1) to the job site. The contract was set not to exceed \$50,000 without additional written amendment. Before the contract was fully executed, the emergency work was completed on August 7. Following the repair, the contractor determined the total cost for the repair to be \$95,512.04. Although the initial contract amount was \$50,000.00, the contract did contain a provision for additional work upon written amendment. The contractor was able to complete the emergency repairs within 8 calendar days, utilizing over 680 hours of labor.

ALTERNATIVES:

None.

OTHER CONSIDERATIONS:

A service agreement may be necessary to address any such future situations on a time and materials basis.

CONFORMITY TO CITY POLICY:

The Local Government Code § 252.022 (a) exempts this procurement from State competitive bidding requirements because it is necessary to:

- 1. preserve or protect the public health or safety of the municipality’s residents; and
- 2. is due to unforeseen damage to public machinery, equipment or other property.

EMERGENCY / NON-EMERGENCY:

This was an emergency situation that needed immediate action.

DEPARTMENTAL CLEARANCES:

Water

FINANCIAL IMPACT:

X Operating Revenue Capital Not applicable

Fiscal Year: 2012-2013	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget		\$150,000.00		
Encumbered / Expended Amount				
This item		\$45,512.04		
BALANCE		\$104,487.96		

Fund(s): Water

Comments: \$50,000 was encumbered in FY 11-12 budget.

RECOMMENDATION:

Authorize payment as requested

LIST OF SUPPORTING DOCUMENTS:

Contract with Mercer Construction Company
Invoice from Mercer Construction Company