



AGENDA MEMORANDUM

Action Item for the City Council Meeting February 15, 2022

DATE: February 15, 2022

TO: Peter Zaroni, City Manager

FROM: Gabriel Ramirez, Interim Director of Water Utilities
GabrielR@cctexas.com
(361) 826-1202

Josh Chronley, Assistant Director of Finance-Procurement
Joshc2@cctexas.com
(361) 826-3169

<p>Service agreement for Maintenance and Emergency Vactor Service for Utilities Department</p>

CAPTION:

Motion authorizing a one-year service agreement with two one-year option periods with ADK Environmental, Inc., of Odem, Texas for preventative maintenance and emergency vactor service for an amount not to exceed \$297,000.00, with a potential amount not to exceed \$938,000.00 if option periods are exercised, with FY 2022 funding in an amount of \$173,250.00 available through the Wastewater Fund.

SUMMARY:

This service will provide preventative and emergency maintenance at the six wastewater treatment plants and lift stations throughout the city for the Utilities Department.

BACKGROUND AND FINDINGS:

Built-up sludge in wells at the wastewater treatment plants and lift stations can negatively impact the wastewater treatment process. Regular preventative maintenance of the treatment plants and lift stations to remove grease and debris is necessary to remove material that affects the productivity of the wastewater treatment process, to increase the life of wastewater pumps, and to prevent sanitary sewer overflows.

While Water Utilities Dept. is creating in-house cleaning crews for wastewater treatment plants and lift stations, this service contract is needed to provide as-needed and emergency services.

PROCUREMENT DETAIL:

The Finance-Procurement Department conducted a competitive Request for Bids process to obtain bids for a new three-year contract. The City received one responsive, responsible bid and staff is recommending the award to the incumbent ADK Environmental, Inc. ADK Environmental, Inc. has been the supplier since October 2017. The initial term of one year for the recommended contract is approximately \$15,000.00 less than the current contract. The two one-year option periods will increase upon renewal each year approximately 6% and 9% respectively if exercised.

ALTERNATIVES:

An alternative to awarding this service agreement is to reject the bid and not enter into a service agreement, which would require staff to solicit quotes each time the need for service arises. Having to solicit quotes as needed would result in a time delay due to the procurement process which would delay services that are needed immediately.

FISCAL IMPACT:

The fiscal impact to the Utilities Department for this one-year service agreement with two one-year option periods for preventative maintenance and emergency vector service is for an amount not to exceed \$297,000.00, with a potential amount not to exceed \$938,000.00 if option periods are exercised. Approximately \$173,250.00 is required for FY 2022, and the remaining cost will be budgeted in future years through the annual budget process.

FUNDING DETAIL:

Fund:	4200 Wastewater
Organization/Activity:	33100 Broadway Wastewater Plant
Mission Element:	064
Project # (CIP Only):	N/A
Account:	530215 Maintenance and Repairs – Contracted
Cost:	\$24,750.00

Fund:	4200 Wastewater
Organization/Activity:	33110 Oso Wastewater Plant
Mission Element:	064
Project # (CIP Only):	N/A
Account:	530215 Maintenance and Repairs – Contracted
Cost:	\$24,750.00

Fund:	4200 Wastewater
Organization/Activity:	33120 Greenwood Wastewater Plant
Mission Element:	064
Project # (CIP Only):	N/A
Account:	530215 Maintenance and Repairs – Contracted
Cost:	\$24,750.00

Fund: 4200 Wastewater
Organization/Activity: 33130 Allison Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$24,750.00

Fund: 4200 Wastewater
Organization/Activity: 33140 Laguna Madre Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$24,750.00

Fund: 4200 Wastewater
Organization/Activity: 33150 Whitecap Wastewater Plant
Mission Element: 064
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$24,750.00

Fund: 4200
Organization/Activity: 33210 Lift Station Operation & Maintenance
Mission Element: 065
Project # **(CIP Only)**: N/A
Account: 530215 Maintenance and Repairs – Contracted
Cost: \$24,750.00

RECOMMENDATION:

Staff recommends approval of this service agreement with ADK Environmental, Inc. as presented.

LIST OF SUPPORTING DOCUMENTS:

Bid Tabulation
Service Agreement