



AGENDA MEMORANDUM

Future Item for the City Council Meeting of June 20, 2017
Action Item for the City Council Meeting of July 11, 2017

DATE: May 25, 2017

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<u>Ratification to Professional Services Contract Amendment</u>
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Mary Rhodes Pipeline Phase 2 Capital Improvement Program

CAPTION:

Motion authorizing the City Manager or designee to execute a ratification of Amendment No. 17 to the professional services contract with Freese and Nichols, Inc. of Corpus Christi, Texas in the amount of \$603,482 for a total restated fee of \$16,594,474 for the Mary Rhodes Pipeline Phase 2 (MRPP2) for construction management services. Capital Improvement Program (CIP)

PURPOSE:

The purpose of this agenda item is to obtain ratification of a professional services contract amendment.

BACKGROUND AND FINDINGS:

CIP Description:

In 1992, the City entered into an option agreement for the purchase of up to 35,000 acre-feet per year of water rights from the Garwood Irrigation Company. Use of the water requires routing transmission facilities from the Colorado River to the Mary Rhodes Pipeline at a point just downstream of Lake Texana. Phase 1 (Delivery Options Study), Phase 2 (Permit

Application) and Phase 3 (Land Acquisition) are complete. Design was complete in Fiscal Year 2013. Construction contracts were awarded in Fiscal Year 2014 and started in 2014. They will be complete in early Fiscal Year 2017.

Project Background:

In February 2014, City Council awarded two Construction Contracts for the Mary Rhodes Phase 2 project. Contract 1 included the pipeline work and was awarded to Garney Companies. Contract 2 included the intake, two pump stations and a sedimentation basin. Contract 2 was awarded to Oscar Renda Contracting. City Council also awarded a contract to Freese and Nichols, Inc. to serve as the Construction Manager for both projects.

Although the project was successfully completed, the Oscar Renda construction went well beyond the contract period of performance. The construction delays required additional construction oversight services by Freese & Nichols. This item provides ratification of a final amendment for the extended construction oversight services.

The details of the construction contracts are shown in the table below.

Contractor	Description	Award Amount	Construction Contract Terms	Actual Completion
Garney Companies	Pipeline Sections A, B & C	\$ 84,121,405	Start: April 2014 Finish: August 2015	August 2015
Oscar Renda Contracting	Pump Stations & Sedimentation Basin	\$ 29,167,288	Start: April 2014 Finish: June 2015	September 2016 (Final: Feb 2017)

The Oscar Renda contract provided for \$3500 per day liquidated damages (LD's) and the contractor has gone 563 days beyond their contract completion date. The intent of the LD clause is to make the City whole for any additional costs incurred as a result of a contractor's inability to complete a project on time. Negotiations are ongoing with the Oscar Renda regarding the assessment of LD's and final closeout requirements. Currently retained amounts from Oscar Renda are more than adequate to cover the cost of the Freese & Nichols amendment.

The details of the engineering and construction management contract with Freese & Nichols, Inc. are shown in the table below.

Freese & Nichols, Inc. – Overall Construction Management Services		
Contract	Description	Amount
Original and Amendments No. 1 - 16	Overall design, construction management, testing and engineering services for Pump Station/Sedimentation Basin and Pipeline Sections A, B and C.	\$ 15,990,992
	On-site construction inspection Pump Station and Sedimentation Basin and Pipeline Section C.	
No. 17 (Proposed)	Extended construction management, testing and engineering services for Pump Station/Sedimentation Basin and Pipeline Sections A, B and C.	\$ 603,482
	On-site representation providing continuous monitoring of all construction activities including investigation and assessment on repairing the six million gallon GST.	
	Total	\$ 16,594,474

ALTERNATIVES:

1. Authorize the execution of the professional services contract. (Recommended)
2. Do not authorize the execution of the professional services contract. (Not Recommended)

OTHER CONSIDERATIONS:

Due to the uncertainty of construction completion for the pump station and sedimentation, this amendment contract is a ratification item to completion of punch list correction.

CONFORMITY TO CITY POLICY:

Conforms to City Fiscal Policy

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Utilities Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2016-2017	Project to Date Expenditures	Current Year	Future Years	TOTALS
Line Item Budget	153,462,300	13,961,700		167,424,000
Encumbered / Expended Amount	153,462,300			153,462,300
This Item		603,482		603,482
Future Anticipated Expenditures This Project		1,439,066		1,439,066
BALANCE	0.00	11,919,152		11,919,152

Fund: Water Supply CIP No. 1

Comments: This project is anticipated to be fully complete in July 2017.

RECOMMENDATION:

City Staff recommends approval of the ratification of Amendment No. 17 to the professional services contract with Freese and Nichols, Inc. of Corpus Christi, Texas in the amount of \$603,482 for a total restated fee of \$16,594,474 for the Mary Rhodes Pipeline Phase 2 for construction management services.

LIST OF SUPPORTING DOCUMENTS:

Project Budget
Location Map
Contract
Form 1295 (in contract)
Presentation