



AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 31, 2017
Action Item for the City Council Meeting of November 7, 2017

DATE: October 11, 2017

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Construction Contract

O.N. Stevens Water Treatment Plant
Maintenance Building
(Capital Improvement Program)

CAPTION:

Motion authorizing the City Manager, or designee, to execute a construction contract with Pepper Lawson Waterworks, LLC of The Woodlands, Texas in the amount of \$1,662,390 for the O.N. Stevens Water Treatment Plant (ONSWTP) Maintenance Building for Total Base Bid. (Capital Improvement Program) (CIP)

PURPOSE:

The purpose of this agenda item is to obtain authority to execute a construction contract.

BACKGROUND AND FINDINGS:

CIP Description:

The City initiated ONSWTP Raw Water Influent Improvements project to eliminate all hydraulic constrictions in front-end piping and increase water treatment capacity. The existing maintenance building blocks the headworks improvements at the plant. In addition, it cannot meet requirements of mechanical, instrumentation and electrical needs in operations and

maintenance. A new ONSWTP Maintenance Building will include three work shops, offices, and workstations to accommodate approximately twenty staff. A shared overhead traveling bridge crane will be available for two shops to handle work items up to five tons.

Project Scope:

The location of existing maintenance building at the ONSWTP conflicts with the proposed raw water improvements project. Based on the difficulty of de-conflicting the needed raw water piping improvements with the existing building location, the decision was made to abandon the existing building and reconstruct it in a better location. The new building will also be better able to support the electrical, mechanical and instrumentation maintenance mission.

This scope of work includes construction of an 8,400 square-foot metal maintenance building with three shops, space to accommodate 20 workers, overhead doors to accommodate large equipment, an overhead bridge crane, site work, grading, paved parking and laydown areas.

On September 13, 2017, the City received a proposal from one (1) bidder. That bid was responsive and within the Engineer's Estimate.

CONTRACTOR	BASE BID
Pepper Lawson Waterworks, LLC The Woodlands, Texas	1,662,390
Engineer's Opinion of Probable Construction Cost	1,836,300

The City's Engineer, Freese and Nichols, Inc., analyzed the sole proposal. The lowest responsible bidder, based on the quantities provided for evaluation purposes, is Pepper Lawson Waterworks, LLC. Based on a review of Pepper Lawson Waterworks' experience and resources from the information they submitted in accordance with the contract documents, Pepper Lawson Waterworks is qualified to provide the construction services for the project.

ALTERNATIVES:

1. Authorize execution of construction contract. (Recommended)
2. Do not authorize execution of construction contract. (Not Recommended)

OTHER CONSIDERATIONS:

Following the City's standard procurement procedure for construction services, construction documents were posted on the CivCast website for one-month public advertisement. During this time, Freese and Nichols, Inc., contacted several general contractors soliciting participation on this project, six contractors attended the pre-bid meeting. A total of ten general contractors and dozens of subcontractors/manufacturers were registered as plan holders on the CivCast project portal (plan holders attached). In spite of the pre-bid interest, the City only received one construction bid from Pepper Lawson Waterworks, LLC. Pepper Lawson is the contractor currently working on City's ONSWTP High Service Pump Building No.3 (HSPB#3) project. That fact probably limited the number of bids received. Other contractors were aware that the existing HSPB#3 contractor was bidding and would probably have an advantage by already being mobilized on site. The construction market is also experiencing high demand, and most contractors have a significant backlog.

After bid opening, City staff and the Consultant Engineer analyzed the construction proposal and deemed this bid is beneficial for the City based on the following evidence:

- The bidder is a reputable water treatment facility contractor and is working on another ONSWTP project;
- The bid was approximately \$175,000 lower than the Engineer's Opinion of Probable Construction Cost (OPCC);
- This bid is a reasonable cost for the construction with the building construction elements averaging \$131/square foot (SF).

This project is in the critical path to proceed with ONSWTP Raw Water Influent and Chemical Feed System Improvements project which are intended to improve water quality and treatment capacity of ONSWTP. Re-bidding the project is not likely to produce more bidders or lower bids but will require additional administrative and professional service costs. The Engineering Department and the Utility Department are, therefore, recommending award of the ONSWTP Maintenance Building construction contract to Pepper Lawson Waterworks, LLC.

CONFORMITY TO CITY POLICY:

Conforms to City Fiscal Policy

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Water Utilities Department

FINANCIAL IMPACT:

☐ Operating ☐ Revenue ☒ Capital ☐ Not applicable

Fiscal Year 2017-2018	Project to Date Expenditures	Current Year	Future Years	TOTALS
Line Item Budget (CIP)		2,400,000		2,400,000
Encumbered / Expended Amount				
This Item		1,662,390		1,662,390
Future Anticipated Expenditures This Project		406,239		406,239
BALANCE		331,371		331,371

Fund(s): Water CIP #6

Comments: This project requires approximately 225 days for construction with anticipated completion in August 2018. This construction contract will result in the expenditure of an amount not to exceed \$1,662,390.

RECOMMENDATION:

City Staff recommends approval of a construction contract with Pepper Lawson Waterworks, LLC of The Woodlands, Texas in the amount of \$1,662,390 for the ONSWTP Maintenance Building for Total Base Bid.

LIST OF SUPPORTING DOCUMENTS:

Project Budget

Location Map

Presentation

Form 1295

Letter of Recommendation

Plan Holders List