



AGENDA MEMORANDUM

First Reading (Tabled) for the City Council Meeting of January 16, 2018
First Reading for the City Council Meeting of January 23, 2018
Second Reading for the City Council Meeting of January 30, 2018

DATE: December 29, 2017

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Construction Contract

Mary Rhodes Pipeline Cathodic Protection Upgrade
(Capital Improvement Program)

CAPTION:

Ordinance rejecting the apparent low bid of Down South Field Services, Inc. as non-responsive and authorizing the City Manager to execute a contract with Integrated Corrosion Companies, Inc. of Houston, Texas as the lowest responsive/responsible bidder in the amount of \$525,732.63 for the Mary Rhodes Pipeline Cathodic Protection Upgrades.

PURPOSE:

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

BACKGROUND AND FINDINGS:

This project is a part of the City's Capital Improvement Program for corrosion prevention and maintenance for the Mary Rhodes Pipeline.

CIP Description: Mary Rhodes Pipeline Cathodic Protection Upgrade

Cathodic protection is necessary to protect buried pipeline from corrosion. The cathodic protection system for Mary Rhodes Pipeline Phase 1 was installed in 1990s and is close to the end of its service life. This project includes installation of six new test stations with zinc anode

ground beds, installation of zinc anodes at fifteen existing test stations, and removal and replacement of portions of test station components at 126 existing test stations.

The cathodic protection system is critical to extend the life of the 105-mile long steel 64-inch diameter Mary Rhodes Pipeline. The pipeline was completed in 1998 to convey water from Lake Texana to the O.N. Stevens Water Treatment Plant. The cathodic protection system involves an electrochemical process with sacrificial anodes that corrode more easily than steel. The existing system consists of 418 existing corrosion test sites, with eight sacrificial zinc anodes at each site. The anodes are around the pipeline and connected to the water pipeline with electric cables and associated hardware. Cathodic protection requires periodic upgrades and replacement planned by this project.

Project Scope:

The scope of work includes construction of six new test stations, replacement of sacrificial anodes at sixteen existing test stations, and upgrades components at 126 existing test stations. The following is a summary of the work:

- Construct six new test sites with new concrete pad, conduit, wiring, and associated hardware with the installation of eight new 60-pound zinc sacrificial anodes 10 feet deep spaced 20 feet apart
- Replacement of the existing anodes at sixteen sites with eight new 60-pound replacement zinc sacrificial anodes spaced 20 feet apart
- Upgrades at the existing 126 test stations with removal of existing conduit and wooden posts; installation of new ten-foot high polyvinyl chloride (PVC) post, conduit, wiring, and associated hardware

On November 15, 2017, the City received proposals from two (2) bidders as follows:

CONTRACTOR	BASE BID
Integrated Corrosion Companies, Inc. Houston, Texas	525,732.63 (corrected)
Down South Field Services, Inc. (NON-RESPONSIVE) Sinton, Texas	563,795.84
Engineer's Opinion of Probable Construction Cost	612,000.00

The bid from Down South Field Services, Inc. was deemed non-responsive due to failure to properly submit the required bid security. Staff and the design engineer analyzed the remaining bid from Integrated Corrosion Companies, Inc., and discovered a mathematical error with the mobilization unit price. Math errors are automatically corrected prior to bid evaluations. The correction was presented to the bidder that resulted in a bid reduction from \$609,500 to \$525,732.63. The bidder acknowledged and confirmed the correction. Based on a review of the bidder's experience and information submitted in accordance with the contract documents, Integrated Corrosion Companies, Inc. is qualified to provide construction services for this project.

ALTERNATIVES:

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

OTHER CONSIDERATIONS:

None

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)	168,755.00	1,000,000.00		1,168,755.00
Encumbered / Expended Amount	168,755.00			168,755.00
This Item		525,732.63		525,732.63
Future Anticipated Expenditures This Project		113,011.37		113,011.37
BALANCE	0	361,256.00		361,256.00

Fund(s): Water Supply CIP #3

Comments: This project requires approximately 230 days for construction with anticipated completion by October 2018. This construction contract will result in expenditure of an amount not to exceed \$525,732.63.

RECOMMENDATION:

City Staff recommends approval of a construction contract Integrated Corrosion Companies, Inc., of Houston, Texas in the amount of \$525,732.63 for the Mary Rhodes Pipeline Cathodic Protection Upgrade for the Total Base Bid.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Project Budget
Location Map
Presentation
Letter of Recommendation