



AGENDA MEMORANDUM

Future Item for the City Council Meeting of May 14, 2019
Action Item for the City Council Meeting of May 21, 2019

DATE: April 10, 2019

TO: Peter Zaroni, City Manager

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| <p style="text-align: center;"><u>Construction Contract</u> City-Wide Wastewater Indefinite Delivery/Indefinite Quantity (IDIQ) Program 2019 (Wastewater Operational)</p> |
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CAPTION:

Motion to authorize execution of an IDIQ construction contract with PM Construction & Rehab LLC, dba IPR South Central of Pasadena, Texas in the amount of \$10,000,000 per year for a total not to exceed \$30,000,000 for three years for the City-Wide Wastewater IDIQ 2019 project for base bid plus additive alternate No. 1. This is a one (1) year base contract with two (2) one-year renewals to be approved administratively subject to availability of funding and satisfactory contractor performance.

PURPOSE:

The purpose of this agenda item is to obtain authority to execute the IDIQ construction contract to implement wastewater pipeline improvements for the base year.

BACKGROUND AND FINDINGS:

This is an indefinite delivery, indefinite quantity (IDIQ) contract. IDIQ contracts began to be widely used by the federal government 30 years ago. IDIQ contracts now comprise most of the federal government's contracting. The City began using IDIQ contracts for repetitive construction work nearly 15 years ago. On IDIQ contracts, bid quantities are estimated based on project budget and the anticipated pay item distribution. Actual work is issued to contractor via Delivery Orders (DO's) which contain drawings and detailed estimates of required pay item quantities for each site.

In 2013, City staff initiated the first City-Wide Wastewater Collection System ID/IQ Program to re-capitalize aging wastewater infrastructure and to reduce wastewater overflows and infiltration. The citywide Wastewater IDIQ program is long-term initiative to make needed repairs to the wastewater collection system. The work covered under this contract is also work that will be required by the anticipated Consent Decree.

The scope of work includes rehabilitation and replacement of manholes, gravity collection lines, and force mains by open-cut method, cured-in-place pipe, and pipe bursting for lines up to 36-inches in diameter. The work also includes gravity line point repairs, static pipe bursting through well pointing, control of wastewater flows through bypass pumping, cleaning and televised inspection of conduits, temporary traffic controls and other miscellaneous activities.

This construction contract was developed as a multi-year IDIQ with a 1-year base period with two 1-year renewal options. Bidders were required to submit unit prices for each construction activity that will be used for subsequent DO's. All work will be executed through individual DO's in accordance with plans, specifications, and contract documents prepared by the City. The contractor will be compensated based on actual units of work completed and the unit prices in his bid schedule.

The project was developed with a Base Bid with full scope of services and limited ground water "static pipe bursting activities". Additive Alternate No. 1 included pay items for static pipe bursting in areas with high ground water such as Padre Island and Flour Bluff.

The project was planned, programmed and advertised with an annual award amount of up to \$10,000,000. The intent is to execute work at a sufficient rate to achieve the full contract amount. The contractor is not guaranteed a minimum or maximum amount. Renewal years will be administratively authorized by City Manager, or designee. Renewals will not be authorized unless City Council approves the necessary funding through the annual budget process.

On March 27, 2019, the City received proposals from three (3) bidders. A summary of bids is provided below:

| BID SUMMARY | | | |
|---|------------------------|-----------------------|------------------------|
| CONTRACTOR | BASE BID | ADD. ALT. 1 | TOTAL BID |
| PM Construction & Rehab LLC, dba IPR South Central Pasadena, Texas | \$17,249,500.00 | \$7,566,800.00 | \$24,816,300.00 |
| CPC Interests dba Clark Pipeline Services Corpus Christi, Texas | \$20,786,404.35 | \$12,465,000.00 | \$33,251,404.35 |
| National Power Rodding Austin, Texas | \$25,511,000.20 | \$12,515,988.00 | \$38,026,988.20 |
| <i>Engineer's Opinion of Probable Cost</i> | | | \$30,000,000.00 |

The City analyzed all three proposals submitted in accordance with contract documents and determined lowest responsive bidder was PM Construction & Rehab LLC, dba IPR South Central.

ALTERNATIVES:

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

OTHER CONSIDERATIONS:

City Council must approve funding in the annual Operating Budget to allow staff to authorize the Option Year renewals and Option Year Delivery Orders.

CONFORMITY TO CITY POLICY:

Complies with statutory requirements for construction contract procurement. Conforms to FY 2019 Wastewater Operational Budget.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Water Utilities Department

FINANCIAL IMPACT:

X Operating ☐ Revenue ☐ Capital ☐ Not applicable

| Fiscal Year 2018-2019 | Project to Date Expenditures (CIP only) | Current Year | Future Years | TOTALS |
|--|--|---------------------|---------------------|-------------------|
| Budget | | 3,500,000 | 8,196,200 | 11,696,200 |
| Encumbered / Expended Amount | | | | |
| This item | | 3,300,000 | 6,700,000 | 10,000,000 |
| Future Anticipated Expenditures This Project | | 200,000 | 1,496,200 | 1,696,200 |
| BALANCE | | 0 | 0 | 0 |

Fund(s): Fund(s): Wastewater Operating Fund 4200

Comments:

Activity: 18157-A-4200-EXP
Fund Name: Wastewater Fund 4200
Organization: Wastewater Collection System Org 33400
Account No: 550060 (Infrastructure)
Project No: 18157A City-Wide Wastewater ID/IQ 2019
Sequence No: WW 01

RECOMMENDATION:

Staff recommends awarding the construction contract to PM Construction & Rehab LLC, dba IPR South Central in the amount of \$10,000,000 for the base year.

LIST OF SUPPORTING DOCUMENTS:

Project Budget
Location Map
Presentation
Letter of Recommendation