



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/29/2022

ALL

Item Creation Date: 11/15/2022

L25911.A2 - On-Site Water Treatment and Sludge Dewatering Services - ORDINANCE

Agenda Item#: 58.

Background:

L25911.A2 - Approve an ordinance authorizing a first amendment to Contract No. 4600014350 between the City of Houston and Denali Water Solutions, LLC (approved by Ordinance No. 2017-0419, passed on June 7, 2017) to extend the contract term from December 10, 2022 to December 10, 2024, and to increase the maximum contract amount from \$15,712,091.25 to \$29,916,880.25 for on-site water treatment and sludge dewatering services for Houston Public Works.

Specific Explanation:

The Director of Houston Public Works and the Chief Procurement Officer recommend that City Council approve an ordinance authorizing a first amendment to the contract between the City of Houston and Denali Water Solutions, LLC to extend the contract term from December 10, 2022 to December 10, 2024, and to increase the maximum contract amount from \$15,712,091.25 to \$29,916,880.25 for on-site water treatment and sludge dewatering services for Houston Public Works (HPW).

This contract was awarded on June 7, 2017 by Ordinance No. 2017-0419 for a three-year term with two (2) one-year options in the original amount of \$12,569,673.00. On December 15, 2021, Ordinance No. 2021-1097 was approved to amend Ordinance No. 2017-0419 to increase the maximum contract amount from \$12,569,673.00 to \$15,712,091.25. Expenditures as of November 14, 2022 total \$15,712,091.25. The extension of the contract term and the \$14,204,789.00 increase to the maximum contract amount will allow HPW to continue to operate the sludge dewatering facility at the Northeast Water Purification Plant (NEWPP) until a new contract is awarded.

The treatment processes at the existing NEWPP produce solids as a by-product that must be dewatered and then disposed of. Current operations generate approximately 7,300 dry tons of sludge residuals annually. The dewatering and disposal of these solids is performed by Denali Water Solutions, LLC, an entity with the experience and expertise to successfully operate the system; this allows HPW staff to focus on the production of drinking water from the NEWPP. The dewatering and disposal contract with Denali Water Solutions, LLC is crucial to the operation of the NEWPP. Without these services, the NEWPP would be forced to shut down.

This recommendation is made pursuant to subsection 252.022(a)(2) of the Texas Local Government Code, which provides that "a procurement necessary to preserve or protect the public health or safety of the municipality's residents" is exempt from the competitive requirements for purchases.

M/WBE Participation:

This contract was awarded with a 24% M/WBE goal participation level. The contractor is currently achieving 23.95% M/WBE participation. The Office of Business of Opportunity will continue to monitor this contract.

Fiscal Note:

Funding for this item is included in the FY2023 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

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Jedediah Greenfield
 Chief Procurement Officer
 Finance/Strategic Procurement Division

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Department Approval Authority Signature

Estimated Spending Authority

Department	FY23	Out Years	Total
Houston Public Works	\$ 3,700,000.00	\$ 10,504,789.00	\$ 14,204,789.00

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 11/16/2022

Prior Council Action:

Ordinance No. 2017-0419; passed June 7, 2017
 Ordinance No. 2021-1097; passed December 15, 2021

Amount and Source of Funding:

