



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:

ALL

Item Creation Date: 11/2/2023

T24149.A3 - Operation and Maintenance of Pure Oxygen Plant at 69th Wastewater Treatment Plant (Air Products and Chemicals, Inc.) - ORDINANCE

Agenda Item#:

**Background:**

**S92-T24149.A3 – Approve an Ordinance amending Ordinance No. 2014-0534 (passed on June 4, 2014) to increase the maximum contract amount from \$12,315,588.00 to \$20,386,511.00; approving and authorizing a third amendment to extend the contract term from December 12, 2023 to January 31, 2026 for contract (No. 4600012548) between the City of Houston and Air Products and Chemicals, Inc. for operation and maintenance of the pure oxygen plant at 69<sup>th</sup> Street Wastewater Treatment Plant (WWTP) for Houston Public Works.**

**Specific Explanation:**

The Director of Houston Public Works and the Chief Procurement Officer recommend that City Council approve an amending ordinance to increase the maximum contract amount from **\$12,315,588.00 to \$20,386,511.00** and to approve and authorize a third amendment to the contract between the City of Houston and **Air Products and Chemicals, Inc.** to extend the contract term from **December 12, 2023 to January 31, 2026** for operation and maintenance of the pure oxygen plant at 69<sup>th</sup> Street WWTP for Houston Public Works.

The original contract was awarded on June 4, 2014 by Ordinance 2014-0534, for a three-year term, with two one-year options in the original amount of \$12,315,588.00. On March 20, 2019, a First Amendment was approved by Council by Ordinance 2019-152 to extend the term of the agreement from **June 13, 2019 to June 12, 2022**. A Second Amendment was approved by Council on June 1<sup>st</sup>, 2022 by Ordinance No. 2022-431 to extend the term of the agreement from **June 12, 2022 to December 12, 2023**. Expenditures as of November 01, 2023 total \$12,315,588.00. The extension of the contract term and the increase of \$8,070,923.00 to the maximum contract amount will allow Air Products and Chemicals, Inc. to continue provide services to the operation of 69<sup>th</sup> Street WWTP until a new facility replacement is built and made operational.

Since the oxygen plant at 69<sup>th</sup> Street WWTP is nearing the end of its useful life as well as the key operating system component - the Cryogenic Air Separation Unit (ASU) - is now obsolete, Houston Public Works is currently in the process of purchasing and installing an entirely new oxygen plant. The new plant is expected to be in place by 2027.

**MWBE Participations:**

The contract was awarded with a 3% M/WBE participation level. Air Products and Chemicals, Inc. is currently achieving a goal of 1.33%. Goal participation and subcontracting opportunities have been significantly impacted by material changes to the original scope of services. Houston Public Works has since determined that the oxygen plant is nearing the end of its useful life, and the rehabilitation work is no longer feasible. Thus, services under the contract have been limited to plant operation and preventative maintenance services only. Air Products and Chemicals, Inc. will continue to work with the Office of Business Opportunity, on divisible work plans aimed at helping them to meet or exceed the 3% goal.

**Fiscal Note:**

Funding for this item is included in the FY2024 Adopted Budget. Therefore, no Fiscal note is required as stated in the Financial Policies.

DocuSigned by:

*Carolyn Hanahan*

11/7/2023

DocuSigned by:

*Carol Haddock*

11/7/2023

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Jedediah Greenfield, Chief Procurement Officer  
Finance/Strategic Procurement Division

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Carol Ellinger Haddock, P.E., Director  
Houston Public Works

Estimated Spending Authority

Department	FY2024	Out Years	Total
Houston Public Works	\$ 2,000,000.00	\$ 6,070,923.000	\$ 8,070,923.00

DS  
*BB*

11/7/2023

For :

**Prior Council Action:**

Ordinance 2014-0534, passed June 4, 2014  
 Ordinance 2019-0152, passed March 20, 2019  
 Ordinance 2022-0431, passed June 1, 2022

**Amount and Source of Funding:**

**\$8,070,923.00**

HPW – Water & sewer System Operating Fund

**Contact Information:**

<b>Name</b>	<b>Dept/Division</b>	<b>Phone No.:</b>
Erika Lawton, Division Manager	HPW	(832) 395-2833
Brian Blum, Assistant Director	HPW	(832) 395-2717
Carolyn Hanahan, Assistant Chief Policy Officer	Finance /SPD	(832) 393-9127
Jedediah Greenfield, Chief Procurement Officer	Finance/SPD	(832) 393-9126

**ATTACHMENTS:**

**Description**

ORDINANCE 2014-0534  
 ORDINANCE 2019-0152  
 ORDINANCE 2022-0431  
 CONTRACT  
 OWNERSHIP INFO.  
 CONTRACT-1st AMENDMENT  
 CONTRACT-2nd AMENDMENT  
 PARTIALLY SIGNED CONTRACT 3rd AMENDMENT  
 M/WBE GOAL SHEET  
 TAX REPORT  
 ATTACHMENT A

**Type**

Ordinance/Resolution/Motion  
 Ordinance/Resolution/Motion  
 Ordinance/Resolution/Motion  
 Contract/Exhibit  
 Backup Material  
 Contract/Exhibit  
 Contract/Exhibit  
 Contract/Exhibit  
 Contract/Exhibit  
 Backup Material  
 Backup Material  
 Financial Information