



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District E

Item Creation Date: 9/21/2015

**L24020-A1 On-Site Water Treatment, Sludge Dewatering and Disposal Services -
ORDINANCE**

Agenda Item#:

Summary:

Background:

S23-L24020-A1 - Approve an ordinance to increase the maximum contract amount from \$7,053,670.00 to \$10,227,821.00 to Contract No. 4600011273 between City of Houston and Denali Water Solutions, LLC (formerly Terra Renewal, LLC) for on-site water treatment, sludge dewatering & disposal services for the Department of Public Works and Engineering.

Specific Explanation:

The Director of the Department Public Works and Engineering and the City Purchasing Agent recommend that City Council approve an amending ordinance to increase the maximum contract amount from \$7,053,670.00 to \$10,227,821.50 to the contract between the City of Houston and Denali Water Solutions, LLC (formerly Terra Renewal, LLC) for on-site water treatment, sludge dewatering & disposal services for the Public Works and Engineering Department.

This contract was awarded on December 14, 2011 by Ordinance No. 2011-1180, for a three year term with two one-year options in an amount not to exceed \$7,053,670.00 and expenditures as of September 21, 2015 totaled \$7,051,363.97. The on-site water treatment, sludge dewatering, and sludge removal at the water purification plant operates under the strict requirements of the Texas Commission on Environmental Quality (TECQ) and affects the quality and volume of drinking water production necessary for public health and safety. The water purification plant is operated 24 hours a day and 7 days per week, and the contractor must be available during this time period to perform services to meet the specifications of this contract.

The existing contract provides for the removal of 4,600 tons of sludge per year; however, the sludge production was significantly higher than anticipated. Extreme weather events in 2012 and 2014 deteriorated Lake Houston water quality producing approximately 6,600 tons of sludge per year. Therefore, the current spending authority is insufficient for the remaining term of the contract and to meet the ongoing daily operational needs.

M/WBE Subcontracting:

This contract was awarded with a 20% goal for MWBE participation. Denali Water Solutions, LLC (Formerly Terra Renewal, LLC) is currently achieving 19.23%.

Calvin D. Wells, City Purchasing Agent
Finance/Strategic Procurement Division

Department Approval Authority Signature

Prior Council Action:

Ord 2011-1180 passed 12-11-2011

Amount of Funding:

\$3,174,151.50 - Water & Sewer System Operating Fund (8300)

Contact Information:

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ATTACHMENTS:

Description	Type
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Goal Verification
Previous Ordinance
Tax Report

Backup Material
Ordinance/Resolution/Motion
Backup Material