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CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/4/2015

District E

Item Creation Date: 9/21/2015

L24020-A1 On-Site Water Treatment, Sludge Dewatering and Disposal Services -
ORDINANCE (revised)

Agenda Item#: 71.

Class

Summary:

ORDINANCE amending Ordinance No. 2011-1180 to increase the maximum contract amount for contract between the City of Houston and DENALI WATER SOLUTIONS, LLC (Formerly TERRA RENEWAL, LLC) for On-Site Water Treatment, Sludge Dewatering and Disposal Services for the Department of Public Works & Engineering - \$3,174,151.50 - Enterprise Fund - **DISTRICT E - MARTIN**

Background:

S23-L24020-A1 - Approve an ordinance to increase the maximum contract amount from \$7,053,670.00 to \$10,227,821.50 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:

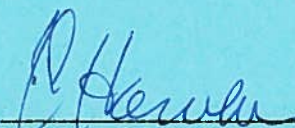
The Director of the Department Public Works and Engineering and the City Purchasing Agent recommend that City Council approve an amending ordinance to increase the maximum contract amount from **\$7,053,670.00 to \$10,227,821.50** to the contract between the City of Houston and Denali Water Solutions, 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 (TCEQ) 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, extreme weather events over the last several years have significantly increased the volume of sludge that must be removed from the NEWPP to approximately 6,600 tons per year for two major reasons. The first reason is that rainwater washes organic material, suspended solids, and vegetative material from the watershed into the Lake, thereby directly increasing the sediment load or turbidity. The second factor is that the higher turbidity load from the Lake requires the NEWPP to increase the coagulant dosage to meet regulatory requirements. Increasing coagulant dosage results in more aluminum metal salts which must also be removed in the dewatering process. Thus, changes in water quality can cause substantial increases in sludge volumes by increasing not only the sediment loading in the Lake, but also increased chemical usage at the plant, both material that must be removed in the sludge dewatering process. 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:

Increase the Maximum Contract Amount by: \$3,174,151.50 - Water & Sewer System Operating Fund (8300)

Contact Information:

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ATTACHMENTS:

Description

RCA

L24020-A1-Ordinance

Goal Verification

Previous Ordinance

Tax Report

PWE request

Funding Form

Type

Signed Cover sheet

Ordinance/Resolution/Motion

Backup Material

Backup Material

Backup Material

Other

Other