



TO: Mayor via City Secretary

REQUEST FOR COUNCIL ACTION

SUBJECT: Appropriate funds and approve Design-Build Agreement between the City and Houston Waterworks Team, a joint venture between CH2M-Hill Engineers, Inc. and CDM Constructors, Inc. (Waterworks) for the Northeast Water Purification Plant Expansion Project (NEWPP) WBS No. S-000065-0002-3	Page 1 of 3	Agenda Item #
--	-----------------------	----------------------

FROM: (Department or other point of origin): Department of Public Works and Engineering	Origination Date:	Agenda Date:
---	--------------------------	---------------------

DIRECTOR'S SIGNATURE:  Dale A. Rudick, P.E., Director	Council District affected: E
--	--



For additional information contact:  Jeffrey L. Benjamin, P.E. Phone: (832) 395-2677 Project Director	Date and identification of prior authorizing Council action: 02/18/2015; 2015-0137, 2015-0138, 2015-0139, 2015-0140
---	---

RECOMMENDATION: (Summary)
An ordinance appropriating \$3,288,000.00 from Water and Sewer System Consolidated Construction Fund (Fund 8500); authorizing the transfer of \$526,080.00 from Fund 8500 into the Public Works and Engineering (PWE) Northeast Water Purification Plant Expansion (NEWPP) Construction Fund (Fund 8506) and approving expenditures of funds therefrom for services associated with the Northeast Water Purification Plant Expansion Project (the "Project"); de-appropriating \$2,761,920.00 from the sum previously appropriated from Fund 8500 and appropriating same amount for the Water Authorities Capital Contrib-NEWPP Fund (Fund 8505) for the Project; authorizing the funds expenditures from Fund 8505 for payment of services associated with the Project; providing funding for CIP Cost Recovery relating to the project; providing funding for the stipends relating to the Project; approving and authorizing a Design-Build Agreement between the City and Houston Waterworks Team, a Joint Venture between CH2M-Hill Engineers, Inc. and CDM Constructors, Inc. for the Northeast Water Purification Plant Expansion Project; and providing a maximum amount of \$3,288,000.00 for the Project

Amount and Source of Funding:
Appropriation of total amount of \$3,288,000.00 from Water and Sewer Consolidated Construction Fund (Fund 8500)
Transfer of \$526,080.00 from Fund 8500 into PWE-NEWPP Construction Fund (Fund 8506).
Appropriation of \$2,761,920.00 (84% of the total amount) for Water Authorities Capital Contrib-NEWPP Fund (Fund 8505) within 60 days of approval of Ordinance by City Council.

PROJECT HISTORY: On February 18, 2015, the City entered into the Second Supplement(s) to Water Supply Contract(s) with West Harris County Regional Water Authority, the North Fort Bend Water Authority, the North Harris County Regional Water Authority, and the Central Harris County Regional Water Authority (Authorities) to increase treated water capacity at Northeast Water Purification Plant using the Design-Build procurement method authorized under Texas Government Code Chapter 2269, Subchapter H (Statue).

LTS # 15112 CUIC ID# 20RS146

Finance Department:	Other Authorization:  Jun Chang, P.E., D.WRE Deputy Director Public Utilities Division	Other Authorization:  Daniel R. Menendez, P.E. Deputy Director Engineering and Construction Division
----------------------------	--	---

Date	Subject: Appropriate funds and approve Design-Build Agreement between the City and Houston Waterworks Team, a joint venture between CH2M-Hill Engineers, Inc. and CDM Constructors, Inc. (Waterworks) for the Northeast Water Purification Plant Expansion Project (NEWPP) WBS No. S-000065-0002-3	Originator's Initials	Page 2 of 3
-------------	--	------------------------------	--------------------

PROJECT HISTORY (continued): On March 20, 2015, in accordance with the Statute, Public Works and Engineering advertised a Request for Qualification. Three Joint Ventures (Waterworks; AB Houston Constructors JV, a joint venture of AECOM Infrastructure, Inc. and Overland Contracting, Inc.; Greater Houston Water Partners JV, a joint venture of Kiewit Infrastructure South Co. and M.R. Pittman Group, LLC) responded timely to the RFQ and after evaluation by PWE personnel and Authorities representatives, all three firms were shortlisted to receive an RFP, issued on April 30, 2015.

Timely proposals were received from all three teams on October 27, 2015. After a responsiveness review of the proposals by representatives of City's Legal Department (and its outside counsel), PWE's Small Business Development Group, ARA's Risk Management Section, Office of Business Opportunity, City's outside financial advisor, and PWE's technical consultant for NEWPP, each proposal was submitted to a five member selection panel for evaluation. Individual selection panel members reviewed and evaluated each proposal independently followed by interviews by the selection panel and Authorities representatives, as observers. Following the interviews, the selection panel convened for a final evaluation and scoring of the proposals on a consensus basis.

The project was presented to the Transportation Technology and Infrastructure committee (TTI) on November 12, 2015.

A protest has been filed under the City's Procurement Manual by AB Houston Contractors JV. The filing of a protest does not operate as a stay to City Council action in relation to the awarding of a contract.

SPECIFIC EXPLANATION: This project is required to meet regulatory mandates of the Texas Commission on Environmental Quality and the Harris-Galveston Subsidence District Surface Water Conservation Plan. Under the Second Supplements, the City will be responsible for approximately 16% of the costs of NEWPP and the Authorities will be responsible for the remainder. It is intended that NEWPP be completed in two phases. The first phase to be substantially complete no later than August 31, 2021 for 80 million gallons of water per day and the second phase to be substantially complete no later than June 30, 2024 with an increased capacity for 240 million gallons of water per day.

LOCATION: This project is located on 12121 North Sam Houston Parkway East in Humble, Key Map grids 376 Z & 377 W.

DESCRIPTION/SCOPE OF CONTRACT AND FEE: The Design-Builder will provide services in two distinct phases; (i) Preliminary Services and (ii) Final Design and Construction Services. Preliminary Services consists of two sequential components; Preliminary Services Component-I (basis of design) and Preliminary Services Component-II (design development).

Preliminary Services Component-I: The Design-Builder will develop Basis of Design and project cost estimate based upon the basis of design.

Preliminary Services Component-II: The Design-Builder will develop the project design to a level of detail sufficient for execution of the guaranteed maximum price (GMP) amendment for Final Design and Construction Services. The GMP will be developed, negotiated and presented to the council for approval prior to the completion of the Preliminary Services Component-II.

Final Design and Construction Services: Final Design and Construction Services encompass the Design-Builder's completion of the project design (final design), performance of construction, start-up, commissioning and testing services.

Date

Subject: Appropriate Funds and approve Design-Build Agreement between the City and Houston Waterworks Team, a joint venture between CH2M-Hill Engineers, Inc. and CDM Constructors, Inc. (Waterworks) for the Northeast Water Purification Plant Expansion Project (NEWPP)
WBS No. S-000065-0002-3

Originator's Initials

Page 3 of 3

In accordance with Texas Government Code Section 2269.364, unsuccessful respondents are entitled to a stipend in amount equal to one half of one percent (0.5%) of the work product for preliminary engineering costs associated with the development of the proposal. The City offered and the two unsuccessful respondents agreed that stipend percentage would be applied to the selected Design-Builder proposed cost for the Preliminary Services Component-I services. In exchange for the payments, city may use any of the work product in the proposals.

The requested appropriation will be utilized to only perform Preliminary Services Component-I and to fund the cost of the Stipends. The fee for the Preliminary Services Component-I is a fixed sum of \$2,834,000.00.

The total cost of this project is \$3,288,000.00 to be appropriated as follows: \$2,834,000.00 for contract services, \$28,340.00 to pay the Stipend and \$425,660.00 for CIP Cost Recovery.

PAY OR PLAY PROGRAM: The proposed contract requires compliance with the City's 'Pay or Play' ordinance regarding health benefits for employees of City contractors. In this case, the consultant provides health benefits to eligible employees in compliance with City policy.

M/WBE INFORMATION: The M/WBE goal for the project is set at 24%. The Consultant has proposed the following firms to achieve this goal.

<u>Name of Firms</u>	<u>Work Description</u>	<u>Amount</u>	<u>% of Contract</u>
RPH Consulting Group, LLC	Technology Services	\$155,160.00	5.47%
KIT Professionals, Inc.	Engineering Services	\$138,712.00	4.89%
Briones Consulting & Engineering, LTD	Engineering Services	\$124,864.00	4.41%
Isani Consultants, L.P.	Engineering Services	\$120,690.00	4.26%
Geotest Engineering, Inc.	Geotechnical Services	\$ 83,740.00	2.95%
IMS Engineers, Inc.	Engineering Services	\$ 77,136.00	2.72%
Kalluri Group, Inc.	Engineering Services	\$ 76,428.00	2.70%
Professional Environmental Engineers, Inc.	Environmental Services	\$ 45,240.00	1.60%
Nathelyne A. Kennedy & Associates, L.P.	Engineering Services	\$ 41,784.00	1.47%
Knudson LP	Landscape Design	\$ 8,688.00	0.31%
	TOTAL	\$872,442.00	30.78%

DAR:DRM:JB:rs

H:\design\A-WS-DIV\WPDATA\RS\S-000065-0002\FINAL Revised-RCA2_65-0002_112415.docx

File No. S-000065-0002-3 (1.2)