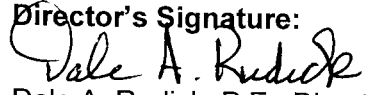



SUBJECT: First Amendment to Design-Build Services Contract between the City and Houston Waterworks Team, a joint venture between CH2M-Hill Engineers, Inc. and CDM Constructors, Inc. (Waterworks) for the Northeast Water Purification Plant Expansion Project (NEWPP); WBS No. S-000065-0002-3	Page 1 of 3	Agenda Item #
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FROM (Department or other point of origin): Department of Public Works and Engineering	Origination Date	Agenda Date
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Director's Signature:  Dale A. Rudick, P.E., Director	Council District affected: E N
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For additional information contact:  Jeffrey L. Benjamin, P.E. Phone: (832) 395-2677 Project Director	Date and identification of prior authorizing Council action: Dated 12/09/2015; Ordinance No. 2015-1260
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RECOMMENDATION: (Summary) An Ordinance Approving First Amendment to Design-Build Services Contract with Houston Waterworks Team and appropriate funds.

Amount and Source of Funding: \$14,950,000.00 Total Cost
 \$2,392,000.00; Appropriate from Fund No. 8500 – Water and Sewer System Consolidated Construction Fund and Transfer into PWE-NEWPP Construction Fund (Fund 8506)
 \$12,558,000.00; Appropriate from Fund No. 8505 – Water Authorities Capital Contrib-NEWPP Fund (Fund 8505)
M.P. 10/6/2016

PROJECT NOTICE/JUSTIFICATION:
 Original contract amount \$3,288,000.00; appropriating \$526,080.00 (16% of the total amount) from Fund 8500 and transfer the same amount into the PWE-NEWPP Construction Fund (Fund 8506) and appropriating \$2,761,920.00 (84% of the total amount) from Water Authorities Capital Contrib-NEWPP Fund (Fund 8505)

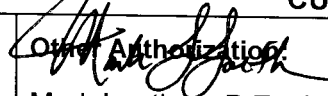
This project is required to meet regulatory mandates of the Texas Commission on Environmental Quality and the Harris-Galveston Subsidence District Surface Water Conservation Plan. Under the Second Supplement(s) between the City and Authorities, the City will be responsible for approximately 16% of the costs of NEWPP expansion and the Authorities will be responsible for the remainder. It is intended that the NEWPP expansion be completed in two phases. The first phase of 80 million gallons of water per day to be substantially complete no later than August 31, 2021 and the second phase of 240 million gallons of water per day to be substantially complete no later than June 30, 2024 for a total of 320 million gallons of water per day.

The purpose of this amendment is:

- To provide for continued work on Preliminary Services with the goal of achieving project milestones.
- To begin Component 2-Preliminary Services as a bridge until sufficient funds are provided by the Texas Water Development Board which will fund the entirety of Component 2 services.

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

LTS No. 16476 CUIC ID #20PUD38

Finance Department:	Other Authorization:	 Mark Loethen, P.E., CFM Acting Deputy Director Public Utilities Division
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Date	SUBJECT: First Amendment to Design-Build Services Contract 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
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SCOPE OF AMENDMENT AND FEE:

The scope of this amendment is to perform certain Component 2-Preliminary Services, as identified in this amendment. The Component 2-Preliminary Services are: to 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 as described and briefed to TTI on November 15, 2015. The labor effort and the cost associated with the Preliminary Services Component 2 Amendment No. 1 are intended to keep the Design-Builder mobilized and working towards completion of Component 2 Services. The City intends to negotiate the full amount of Component 2-Preliminary Services. Once negotiations are complete, the Preliminary Services payment authorized by this Amendment will be deducted from the total negotiated amount of the full Preliminary Services Payment for the entirety of Component 2-Preliminary Services. This Amendment serves as an advance for Component 2-Preliminary Services to help maintain the mandated schedule. The work to be performed shall consist of the following activities in concert with the overall purpose of the contract.

- To complete the design and engineering up to 20% of entire project.
- To complete the design and engineering up to 100% of early work package – 1 (EWP No.1); Power Service Relocation.
- To complete the design and engineering up to 60% of early work package – 2 (EWP No.2); Raw Water Pipeline and Access Road.
- To complete the design and engineering up to 100% of early work package – 3 (EWP No.3); Site Development.
- To complete the design and engineering up to 60% of early work package – 4 (EWP No.4); Excavation and deep foundation.
- To complete the design and engineering up to 60% of early work package – 5 (EWP No.5); Equipment Procurement.

The project milestones are described below:

- Component 1-Preliminary Services: February 2016– September 2016
- Component 2-Preliminary Services: October 2016– March 2018
- Early Work Packages: January 2017 – March 2018
- Guaranteed Maximum Price (GMP) Amendment: March 2018
- Phase I Completion (80 MGD): August 2021
- Phase II Completion (320 MGD): June 2024


The fee for the Preliminary Services Component 2 Amendment No. 1 will be paid on a time and material basis with authorization not-to-exceed the agreed upon amount.

The requested appropriation will be utilized to only perform Component 2-Preliminary Services Amendment No.1 and to fund the cost of the project specific professional liability insurance (PLI). The fee for the Preliminary Services Component 2 Amendment No. 1 is \$11,000,000.00 and the cost of the project specific professional liability insurance is \$2,000,000.00

The total cost of this project is \$14,950,000.00 to be appropriated as follows: \$13,000,000.00 for contract services, and \$1,950,000.00 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.

Date	SUBJECT: First Amendment to Design-Build Services Contract 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
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M/WBE INFORMATION:

The M/WBE goal for the project is set at 24%. The original contract appropriation amount is \$2,834,000.00. The consultant has been paid \$2,419,055.30 (85.37%) to date. Of this amount \$561,883.35 (23.22%) has been paid to M/WBE sub-consultants to date. Assuming approval of the requested additional appropriation the contract amount will increase \$15,834,000.00. The consultant proposes the following plan to meet the M/WBE goal.

Name of Firms	Work Description	Amount	% of Contract
Paid Prior M/WBE Commitment	Various Services	\$561,883.35	3.55%
Unpaid Prior M/WBE Commitment	Various Services	\$390,416.65	2.47%
TLC Engineering, Inc.	Technology Services	\$28,000.00	0.18%
KIT Professionals, Inc.	Engineering Services	\$521,056.00	3.29%
Briones Consulting & Engineering, LTD	Engineering Services	\$200,000.00	1.26%
Isani Consultants, L.P.	Engineering Services	\$1,022,691.00	6.46%
Geotest Engineering, Inc.	Geotechnical Services	\$250,000.00	1.58%
IMS Engineers, Inc.	Engineering Services	\$ 275,628.00	1.74%
Kalluri Group, Inc.	Engineering Services	\$ 262,714.00	1.66%
Professional Environmental Engineers, Inc.	Environmental Services	\$ 65,000.00	0.41%
Nathelyne A. Kennedy & Associates, L.P.	Engineering Services	\$157,497.00	0.99%
M/WBE Firm TBD	Various Services	\$480,000.00	3.03%
	TOTAL	\$4,214,886.00	26.62%

ESTIMATED FISCAL OPERATING IMPACT:

PROJECT WBS#	FY17	FY18	FY19	FY20	FY21	FY17-FY21 Total
S-000065-0002-3	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	\$	\$	\$	\$	\$	\$

No significant Fiscal Operating impact is anticipated as a result of this project.



DAR:ML:JLB:RS:epr

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c: File No. S-000065-0002-3