



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District E

Item Creation Date: 8/21/2017

20EPR02 Early Work Package No. 1

Agenda Item#:

### **Background:**

**Subject:** Fourth Amendment to the Design-Build Services Contract between the City and Houston Waterworks Team, a joint venture between CH2M Hill Engineers, Inc. and CDM Contractors Inc. for the Northeast Water Purification Plant (NEWPP) Expansion Project, Early Work Package 1 Construction (EWP1); WBS No. S-000065-0002-3.

**Recommendation:** Adopt an ordinance approving the Fourth Amendment to the Design-Build Services Contract between the City and Houston Waterworks Team, a joint venture between CH2M Hill Engineers, Inc. and CDM Contractors, Inc. for the Northeast Water Purification Plant (NEWPP) Expansion Project and appropriate funds.

**Project Notice/Justification:** 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 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 will 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. This project was described and briefed to the Transportation, Technology, and Infrastructure (TTI) Committee on February 13, 2017.

**Description/Scope:** The planning and design phase determined that some of the construction work would be completed as Early Work Packages to meet project milestones. EWP1 consists of the Site Development of approximately 90 acres and was subdivided into seven (7) subcontract packages: Survey, Temporary Construction Fencing, Erosion Control, Clearing and Grubbing, Earthwork, Utility Relocations, and Temporary Power and Lighting.

**Location:** This project is located at 12121 North Sam Houston Parkway East, in Humble, Key Map Grids 376 Z & 377 W.

**Project History and Scope:** City Council approved the Design-Build Services Contract between the City and Houston Waterworks Team on December 9, 2015 under Ordinance No. 2015-1260 appropriating \$3,288,000.00 to the expansion project.

Amendment No. 1 to the Design-Build Agreement was approved on November 16, 2016 under Ordinance No. 2016-875 appropriating additional funds in the amount of \$14,950,000.00 to the expansion project.

Amendment No. 2 to the Design-Build Agreement was approved on March 29, 2017 under Ordinance No. 2017-231 appropriating additional funds in the amount of \$3,000,000.00 to the expansion project.

Amendment No. 3 to the Design-Build Agreement was approved on May 24, 2017 under Ordinance No. 2017-378 appropriating additional funds in the amount of \$66,300,000.00 to the expansion project.

**Project Cost:** The total Guaranteed Maximum Price (GMP) of \$37,339,594.00 includes a total direct construction cost of \$17,175,814.00 for EWP1 and a total indirect construction cost of \$20,163,780.00. Indirect construction costs include the insurance, bonding, quality control program, material testing, and the general conditions that will be carried out through December 2018 for Early Work Package 1 (EWP1), Early Work Package 3 (EWP3), Early Work Package 4 (EWP4), and a portion of Early Work Package 2 (EWP2). Additional appropriation for the remainder of the indirect costs for EWP2 will be requested later.

The City of Houston contributes: \$5,974,335.04  
Water Authorities contribute: \$31,365,258.96

**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.

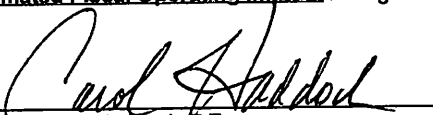
**M/WBE Information:**

a). **M/WBE-Construction:** EWP1 was planned to maximize MWBE participation. A capacity study will be performed for all future work packages, and the MWBE participation will be established accordingly. The Design-Builder (Houston Waterworks Team) has proposed the following plan for MWBE participation for the EWP1 Construction.

<b>Firm</b>	<b>Scope of Work</b>	<b>Amount</b>	<b>% of Direct Construction Cost</b>
Lazer Construction Company, Inc.	Clearing and Grubbing and Earthwork	\$11,206,677.00	65.24%
Emerald Standard Services, Inc.	Temporary Power and Lighting	\$2,110,909.00	12.29%
Landtech Consultants, Inc.	Survey	\$252,000.00	1.47%
Fencemaster of Houston	Temporary Construction Fencing	\$154,112.00	0.90%
Construction Diversity Group, LLC	Erosion Control	\$94,827.00	0.55%
	<b>Total M/WBE Participation</b>	<b>\$13,818,525.00</b>	<b>80.45%</b>

b). **M/WBE-Design:** The status of the design for this project is less than 30% complete. The original contract amount previously appropriated to design this project totals \$85,134,000.00. The consultant has been paid \$21,283,936.00(25%) to date. Of this amount, \$3,634,622.62(17.07%) has been paid to M/WBE sub-consultants to date. Please note that the majority of the M/WBE participation shall be accomplished as the design progresses.

**Estimated Fiscal Operating Impact:** No significant Fiscal Operating impact is anticipated because of this project.



Carol Ellinger Haddock, P.E.  
Acting Director  
Department of Public Works and Engineering

WBS No. S-000065-0002-3

**Prior Council Action:**

Ordinance No. 2015-1260, December 9, 2015

Ordinance No. 2016-875, November 16, 2016

Ordinance No. 2017-231, March 29, 2017

Ordinance No. 2017-378, May 24, 2017

**Amount of Funding:**

The total cost is \$37,339,594.00.

\$5,974,335.04 transfer from Fund 8434 – NEWPP Expansion – SWIFT into Fund 8506 – PWE-NEWPP Construction Fund and appropriate from Fund 8506 – PWE-NEWPP Construction Fund.

\$31,365,258.96; Appropriate from Fund No. 8505 – Water Authorities Capital Contrib-NEWPP Fund (Fund 8505).

**Contact Information:**

Rajinder Singh - 713-725-9759

**ATTACHMENTS:**

<b>Description</b>	<b>Type</b>
Project Map	Backup Material
Vendor Information	Backup Material
Affidavit of Ownership	Backup Material
Tax Report	Backup Material
Form B	Backup Material
Form 1295	Backup Material
Pay or Play (CH2M)	Backup Material
Pay or Play (CDM)	Backup Material
TTI Agenda	Backup Material
Design Build Contract Part 1	Backup Material
Design Build Contract Part 2	Backup Material
SAP documents	Financial Information
Prior Council Action	Backup Material
Prior Council Action	Backup Material
Prior Council Action	Backup Material
Prior Council Action	Backup Material
Letters of Intent	Backup Material