



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

ALL

Item Creation Date: 10/23/2017

L24387 - A1 Small Submersible Pumps Repair Services (Smith Pump Co.) - ORDINANCE

Agenda Item#:

**Background:**

S74- L24387-A1 – Approve an amending ordinance to increase the maximum contract amount to Contract 4600011985 from \$4,950,391.75 to \$6,930,548.45 for the contract between the City of Houston and Smith Pump Company, Inc. for submersible pump repair services for the Department of Public Works and Engineering.

**Specific Explanation:**

The Director of the Department of Public Works and Engineering and the Chief Procurement Officer recommends that City Council approve an amending ordinance to increase the maximum contract amount from \$4,950,391.75 to \$6,930,548.45 for the contract between the City of Houston and Smith Pump Company, Inc. for submersible pump repair services for the Department of Public Works and Engineering.

The contract was awarded on July 31, 2013, by ordinance No. 2013-0680, for a three-year term with two one-year options in an amount of \$4,950,391.75. As a result of split awards, two other small submersible pumps repair services contracts were awarded to Hahn Equipment Company, Inc and Coastal Pump Services, Inc. Coastal Pump Services, Inc. contract was terminated early, due to unresolved contractor performance issues and a portion of the submersible pump repair services from the Coastal Pump Services, Inc. contract have been transferred to the Smith Pump Company, Inc's contract. Expenditures for Smith Pump Company, Inc. as of September 26, 2017, totaled \$4,450,253.91. The remaining spending capacity of \$500,137.84 is insufficient for the remaining terms of the agreement, and for ongoing operational needs. From fiscal year 2016 to present, the Department's expenditures increased significantly, as a result of higher incidences of pump failures and the premature termination of the Coastal Pump Services, Inc. contract. The expenditure is expected to increase further due to recent damages resulting from Hurricane Harvey.

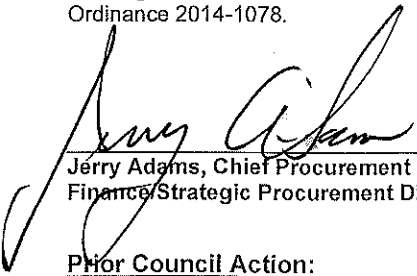
The scope of work requires the contractor to provide all labor, supervision, equipment, facilities, materials, parts, supervision and transportation necessary to disassemble, inspect, and rewind or recondition the submersible pump motors, and reassemble and test the units. The service includes the inspection of all components, and cleaning all parts before rewinding or reconditioning the pumps. After all repairs are made, the contractor is required to balance and test the rotors and impellers at their full voltage to ensure the pump is performing at optimum level. The submersible pumps are crucial to the department's water and wastewater operations, and any interruption in services, predisposes the department to regulatory and compliance penalties and fines. The services are also critical to the City's ability to mitigate exposure to serious public health and safety hazards.

**M/WBE Participation:**

The contract was awarded with a 11% goal and Smith Pump Company, Inc. is only achieving 2.54%. Despite enlisting 10 subcontractors for various work components, Smith Pump Company, Inc. has only assigned work to 1 M/WBE certified firm due to the OEM manufacturer's requirements for honoring equipment warranty. The Office of Business Opportunity will continue to monitor this contract to ensure maximum M/WBE participation.

**Fiscal Note:**

Funding for this item is included in the FY18 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policy Ordinance 2014-1078.

  
Jerry Adams, Chief Procurement Officer  
Finance/Strategic Procurement Division

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Department Approval Authority Signature

**Prior Council Action:**

Ord. No. 2013-0680

**Amount of Funding:**

\$1,980,156.70 – Water and Sewer System Operating Fund (8300)

\$1,980,156.70 - TOTAL

**Contact Information:**

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**ATTACHMENTS:**

Description	Type
<u>Contract</u>	Backup Material
<u>Previous Ordinance</u>	Backup Material
<u>Funding Information</u>	Backup Material
<u>Delinquent Tax Report</u>	Backup Material
<u>MWBE Verification</u>	Backup Material