

CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 11/14/2017

ALL

Item Creation Date:

E24477-A1 Blower Replacement Parts and Repair Services - ORDINANCE

Agenda Item#: 17.

Background:

S74-E24477-A1 – Approve an amending ordinance to increase the maximum contract amount to Contract 4600012306 from \$8,000,000.00 to \$10,000,000.00 for the contract between the City of Houston and Howden Root (formerly known as Dresser, Inc.) for blower replacement parts and repair services for the Department of Public Works and Engineering (PWE).

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 \$8,000,000.00 to \$10,000,000.00 for the contract between the City of Houston and Howden Root (formerly known as Dresser, Inc.) for blower replacement parts and repair services for the Department of Public Works and Engineering.

The contract was awarded on December 4, 2013, by ordinance No. 2013-1095, for a three-year term with two one-year options in an amount of \$8,000,000.00. Expenditures as of September 26, 2017 totaled \$5,236,911.10. The remaining spending capacity of \$2,763,088.90 is not forecasted to last until the end of the contract, because of additional replacements and repairs the Department is required to undertake, to address the Environmental Protection Agency (EPA) and the Texas Commission on Environmental Quality (TCEQ) compliance issues. Since contract inception, PWE's routine maintenance program required an average yearly spending of \$1,025,684.00. However, in FY17, PWE spent \$2,151,000.00. In FY18, PWE will be forced to ramp up its equipment maintenance program, and continue addressing compliance issues. As a result of addressing compliance issues, the maximum contract amount will be exhausted prior to the end of the contract term. Additional forecasted expenditures are \$1,275,000.00 for routine maintenance services and an additional \$1,850,000.00 for repairs and replacements. Therefore, an increase to the maximum contract amount is needed to meet the additional compliance requirements and ensure the blower replacement parts and repair services continue through the end of the contract term.

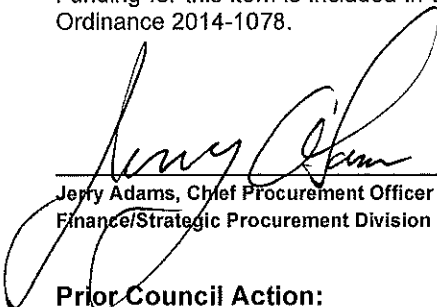
The scope of work requires the contractor to provide all labor, supervision, tools, materials, parts, equipment machinery and facilities necessary to provide precision repair services on various types of blowers, including centrifugal, positive displacement and rotary lobe vacuum for PWE's Wastewater Operations Division. The contract provides for replacement parts and repair services for 225 blowers currently in operation throughout the 40 wastewater treatment plants within the City. The blowers are an indispensable part of the wastewater treatment processes, and are integral in the management of contaminants, waste and other substances considered inimical to the health and safety of the citizens of Houston. Any interruption in services, quickly predispose the City to regulatory and compliance issues and fines.

M/WBE Participation:

The contract was awarded with a 3% goal. Currently, Howden Root is achieving 3.43%.

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

Department Approval Authority Signature

Prior Council Action:

Ord. No. 2013-1095

Amount of Funding:

\$2,000,000.00– Water and Sewer System Operating Fund (8300)

\$2,000,000.00 - TOTAL

Contact Information:

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ATTACHMENTS:

<u>Description</u>	<u>Type</u>
<u>Funding</u>	Backup Material
<u>Contract</u>	Backup Material
<u>Previous Ordinance</u>	Backup Material
<u>Affidavit</u>	Backup Material