



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/23/2018

District E

Item Creation Date: 8/14/2018

HPW-20WWO737 - 1st Amend O&M Srvc - Facilities/Inframark, LLC

Agenda Item#: 33.

Summary:

ORDINANCE amending Ordinance No. 2015-690 to increase the maximum contract amount; approving and authorizing a first amendment to the agreement for operation and maintenance services for the Greater Northeast Houston Service Area (GNEHSA) Water and Wastewater Utilities and Facilities between the City of Houston and **INFRAMARK, LLC f/k/a SEVERN TRENT ENVIRONMENTAL SERVICES, INC.** for operation and maintenance services for GNEHSA; containing provisions relating to the subject; and declaring an emergency.

Background:

SUBJECT: First Amendment to an Agreement for Operation and Maintenance Services for the Greater Northeast Houston Service Area (GNEHSA) Water and Wastewater Utilities and Facilities

RECOMMENDATION: Approve an Ordinance amending an agreement to increase the maximum contract amount from \$30,329,077.00 to a not to exceed amount of \$30,829,077.00, for the operation and maintenance services for the Greater Northeast Houston Area Services (GNESHA) water and wastewater utilities and facilities, authorize the first amendment of the contract between the City and Inframark, LLC and allocate additional funds.

PROJECT JUSTIFICATION: The purpose of the amendment is to allow the City to request, and the Contractor to provide, Additional Services up to \$1,250,000 in Year 3 of the Agreement and to clarify that the amounts set forth in the Agreement for Additional Services for Years 4 and 5 are budget estimates only and shall be determined by, and are subject to, future allocation.

DESCRIPTION/SCOPE: The Agreement does not allow Additional Services to exceed \$750,000 per year. Based on estimates of maintenance work needed, Houston Public Works anticipates a need for Additional Services of up to \$1,250,000 during Year 3 of the Agreement. The Amendment increases the allowed Additional Services by \$500,000 for Year 3 for a total of \$1,250,000 for the year and clarifies that the Additional Service amounts are estimates only.

PREVIOUS HISTORY/SCOPE: City Council approved the contract with Severn Trent Environmental Services, Inc. on July 22, 2015 under Ordinance 2015-0690. Severn Trent provides seven days per week, 24 hours per day operational and maintenance coverage for The Greater Northeast Houston Service Area utilities and facilities for a period of five (5) years. The services include, but are not limited to the following:

- Operation and maintenance of all utilities and facilities in compliance with applicable permits, laws, regulations and ordinances;
- Administrative and technical support to ensure efficient operation and maintenance of utilities and facilities;
- Inspection of utilities, facilities and equipment;
- Submittal of annual reports on recommended capital expenditures;
- Preparation of monthly operating reports for utilities and facilities;
- Provision and maintenance of an inventory of chemicals, fuel, parts and supplies to maintain equipment in accordance with manufacturer's recommendations;
- Consultation with City personnel for the preventive and corrective maintenance schedules;
- Maintenance of landscape and grounds for the facilities; and
- Respond to inquiries and service requests of all concerned parties.

Basic Services are routine operation and maintenance services that are outlined in the contract. Additional Services are services that extend beyond Basic Services on an as needed basis and are reimbursed on time and materials.

Severn Trent Environmental Services, Inc. changed its structure to Severn Trent Environmental Services, LLC, which then changed its name to Inframark, LLC and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017.

HIRE HOUSTON FIRST: The proposed contract requires compliance with the City's 'Hire Houston First' ordinance that promotes economic opportunity for Houston businesses and supports job creation. In this case, the proposed contractor is a designated HHF company, but they were the successful awardee without application of the HHF preference.

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 contractor provides health benefits to eligible employees in compliance with City

policy.

M/WBE INFORMATION: The M/WBE goal for this contract is set at 14%. The original contract approved through Ordinance No. 2015-0690 totals \$30,329,077.00. The Contractor has been paid \$ 17,233,354.96 (56.82%) to date. Of this amount, \$2,413,778.85 (14.01%) has been paid to the M/WBE firms to date. Assuming approval of the first amendment and additional fund allocation, the contract will increase to \$30,829,077.00 and the Contractor has updated their program to achieve the M/WBE goal.

<u>Name of Firm</u>	<u>Work Description</u>	<u>Amount</u>	<u>% of Contract</u>
Paid Prior MWBE Commitment	Various Services	\$2,413,778.85	7.83%
Unpaid Prior MWBE Commitment	Various Services	\$1,832,068.15	5.94%
Magna-Flow International, Inc., DBA Magna-Flow Environmental	Sludge Hauling & Sewer Cleaning	\$70,223.70	0.23%
	TOTAL	\$4,316,070.70	14.00%

FISCAL NOTE: Funding for this item is included on the FY2019 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.



Carol Ellinger Haddock, P.E., Director
Houston Public Works

Prior Council Action:

Ordinance No. 2015-0690, dated 7/22/15

Amount of Funding:

\$500,000.00 Fund 8300 — Water and Sewer System Operating Fund
Original (previous) allocation of \$30,329,077.00 Fund 8300 - Water & Sewer System Operating Fund

Contact Information:

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ATTACHMENTS:

Description	Type
Revised Signed Coversheet	Signed Cover sheet
Attachement A	Backup Material
Prior Council Action	Backup Material
Tax Report	Backup Material
00455 - Ownership Information Form	Backup Material
List of Proposed MWBE Subcontractors and Suppliers	Backup Material
MWBE Letters of Intent	Backup Material
MWBE Certifications	Backup Material
Form B	Backup Material
00630 (POP-2) - Certification of Compliance with Pay or Play Program	Backup Material
00631 (POP-3) Pay or Play Program List of Subcontractors	Backup Material
Map	Backup Material
Form 1295 - Certificate of Interested Parties	Backup Material
Ordinance	Ordinance/Resolution/Motion
Contract	Contract/Exhibit
Funding Verification	Backup Material