



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District E

Item Creation Date: 3/15/2019

HPW – 20SD117R Amendment / Industrial TX Corp.

Agenda Item#:

Background:

SUBJECT: First Amendment to the Contract between the City and Industrial TX Corp., for SEWPP Treatment Modules Rehabilitation, Transfer Pump Station Improvements and Electrical Substation Upgrades.

RECOMMENDATION: Approve First Amendment to the Contract between the City and Industrial TX Corp., for SEWPP Treatment Modules Rehabilitation, Transfer Pump Station Improvements and Electrical Substation Upgrades, to de-appropriate funds from a deleted scope of work from the construction contract with CYMI Industrial Inc. and appropriate funds to the existing contract with Industrial TX Corp.

PROJECT NOTICE/JUSTIFICATION: This project is part of the City's Capital Improvement Plan to improve operability, maintainability and reliability for the Southeast Water Purification Plant and to comply with the Texas Commission on Environmental Quality and Surface Water Treatment Rule mandated by the United States Environmental Protection Agency and to meet existing and future water demand requirements.

LOCATION: The project area is located at 3100 Genoa Red-Bluff Road in Key Map Grids 577Q and 577R.

PREVIOUS HISTORY AND SCOPE: City Council approved the original Contract on September 13, 2017 under Ordinance No. 2017-0698. The scope of services under the Original Contract consisted of 1. Relocating Treatment Module Number 1 Transfer Pump Station and the Electrical Distribution Building Switchgears into a new electrical building, 2. Upgrading Treatment Module Number 1 Programmable Logic Controllers and software, 3. Addition of a new raw sludge thickener and a new basin drain pump station at Treatment Module Number 2, 4. Replacing High Service Pumping Station switchgears with new synchronous motor controllers, 5. Bypass modification for sedimentation basin drain piping for Treatment Module Number 2, 6. Replacing Electrical Substation Transformers, 7. Providing electronically completed Technical Asset Data forms, and 8. Sludge dredging of the Process Overflow Basin. The Project was awarded to Industrial TX Corp., with an original Contract amount of \$13,230,000.00.

SCOPE OF THIS AMENDMENT AND FEE: Under the scope of the First Amendment, the Contractor will accomplish the following: additional work added to the contract includes Treatment Module 1 Settling Basin A and B and bypass valve for Transfer Pump 3161. The current contract also calls for installation of soft starters and programming for the high service pumps and motors. additional work for rehabilitation of high service pumps, transfer pumps and treatment modules. It is beneficial for the City to add rehabilitation of high service pumps and motors along with the associated electrical work so only a single shut down is required to perform all the work. The City deleted the scope of work for rehabilitation of High Service Pumps (HSP) Nos. 5101, 5102, 5104, 5105, 5106, and Transfer Pumps Nos. 3161 and 3162 from the previous Contract SEWPP Sedimentation Basins A & B Improvements (TM1), Flocculators Rehabilitation Basins A & B (TM1), Rehabilitation of Transfer and Distribution Pumps & Motors and On-Call Miscellaneous Engineering Services due to the Southeast Water Purification Plant (SEWPP) Drinking Water Operations' (DWO) inability to release the existing high service pumps and motors for rehabilitation, as referenced in the previous contract due to high water demand period. The previous Contractor would have to be paid for extended field presence until the high water demand period passed which is not a cost effective practice. It was mutually agreed upon by the City and the previous Contractor to delete the remaining work from contract and add the work to the new ongoing contract. The funding amount for the work deleted from the previous contract will be used to fund the contract work on this amendment. Therefore, the City recommends adding this scope of work with an additional 811 days to the contract.

The amount to be de-appropriation from previous contract \$3,900,407.30 and will be included in the total appropriation requested below.

The total amount of funds being requested is \$7,601,471.25 be appropriated as follows:

• Contract Services	\$6,609,975.00
• Contingencies	\$330,498.75
• CIP Cost Recovery	\$660,997.50

HIRE HOUSTON FIRST: The proposed contract requires compliance with the City's "Hire Houston First" (HHF) ordinance that promotes economic opportunity for Houston business and supports job creation. In this case, Industrial TX Corporation, 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 benefits for some employees but will pay into the Contractor Responsibility Fund for others, in compliance with City policy.

M/WBE PARTICIPATION: The M/WBE goal established for this project is 13.00% for MBE and 7.00% for WBE. The original Contract amount totals \$13,230,000.00 The Contractor has been paid \$8,953,608.07 (67.69%) to date. Of this amount, \$2,456,190.00 (27.43%) has been paid to M/WBE sub-contractors to date. Assuming approval of the requested additional appropriation, the contract amount will increase to \$19,839,975.00. The MWBE goal has been previously met.

<u>Name of Firms</u>	<u>Work Description</u>	<u>Amount</u>	<u>% of Contract</u>
Paid Prior M/WBE Commitment		\$2,456,190.00	12.38%
Unpaid Prior M/WBE Commitment		\$1,451,952.00	7.32%

<u>MBE - Name of Firms</u>	<u>Work Description</u>	<u>Amount</u>	<u>% of Contract</u>
1. Aviles Painting Contractor	Painting Contractor	\$210,000.00	1.06%
TOTAL		\$210,000.00	1.06%

<u>WBE - Name of Firms</u>	<u>Work Description</u>	<u>Amount</u>	<u>% of Contract</u>
1. F&L Coatings and Concrete, LLC	Protective Coatings and Concrete Repair	\$1,833,000.00	9.24%
TOTAL		\$1,833,000.00	9.24%

<u>SBE - Name of Firms</u>	<u>Work Description</u>	<u>Amount</u>	<u>% of Contract</u>
1. Medcalf Fabrication	Miscellaneous Metals	\$75,459.00	0.38%
TOTAL		\$75,459.00	0.38%

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



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

WBS S-000012-0028-4 (De-appropriation) and S-000012-0030-4 (Appropriation)

Prior Council Action:

Ordinance No. 2017-0698, dated 09-13-2017 (Industrial TX Corp.)

Ordinance No. 2014-0623, dated 06-18-2014 (CYMI Industrial Inc.)

Amount of Funding:

De-Appropriate \$3,900,407.30 from Fund No. 8500 – Water and Sewer System Consolidated Construction Fund

Appropriate \$7,601,471.25 from Fund No. 8500 – Water and Sewer System Consolidated Construction Fund

Original (previous) appropriation of \$14,993,000.00 from Fund No. 8500 – Water and Sewer System Consolidated Construction Fund

Contact Information:

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ATTACHMENTS:

Description	Type
SAP Documents	Financial Information
Map	Backup Material
OBO (Vendor Info Sheets, Letters of Intent & MWBE Participation Schedule)	Backup Material
Form B - Fair Campaigning Ord.	Backup Material
Affidavit of Ownership & Tax Report	Backup Material
Play or Pay (POP 1-3)	Backup Material
Form 1295	Backup Material
Prior Council Action (Industrial TX Corp)	Backup Material
Prior Council Action (CYMI Industrial Inc.)	Backup Material