

**AGENDA**



**Recommendation for Council Action (CMD)**

Austin City Council	Item ID:	26316	Agenda Number	20.
Meeting Date:	August 29, 2013			
Department:	Contract Management			
Subject				
<p>Authorize execution of a change order to the construction contract with MATOUS CONSTRUCTORS, LTD., for the Hornsby Bend Biosolids Management Plant Digester Improvements and Sustainability Project for an additional contingency amount of \$131,000, for a total contract amount not to exceed \$28,528,710.</p>				
Amount and Source of Funding				
<p>Funding is available in the Fiscal Year 2012-2013 Capital Budget of the Austin Water Utility.</p>				
Fiscal Note				
<p>A fiscal note is attached.</p>				
Purchasing Language:				
Prior Council Action:	<p>April 25, 2013 – Council authorized additional funding for Change Order # 16 with Matous Construction Ltd., in the amount of \$525,709.09. December 17-2009- Council authorized the execution of a construction contract with Matous Construction, Ltd., for a total contract amount not to exceed \$27,951,000. June 18, 2009 – Council approved a resolution authorizing the City Manager to apply for funding from the Texas Water Development Board (TWDB) for the implementation of wastewater projects.</p>			
For More Information:	<p>Jules Parrish, 974-9385; Susan Garnett, 974-7064; Fred Ramirez, 972-0161; Lacy Kuslo, 974-7141.</p>			
Boards and Commission Action:	<p>April 10, 2013 - Approved by the Water and Wastewater Commission.</p>			
Related Items:				
MBE / WBE:	<p>This contract was awarded in compliance with City Code Chapter 2-9A (Minority-Owned and Women-Owned Business Enterprise Procurement Program) with 10.24% MBE and 0.14% WBE subcontractor participation to date.</p>			
Additional Backup Information				

The Hornsby Bend Biosolids Management Plant (BMP) is an award-winning, nationally-recognized environmental management and research facility, located on FM 973, east of the Colorado River. The original project, approved in 2009, is one part of a mutually supporting set of capital improvements to implement green infrastructure at the Hornsby Bend BMP.

Funding for this project was provided from a \$31.8 million zero-interest loan from the Texas Water Development Board as part of the American Recovery and Reinvestment Act (ARRA). The original project will significantly reduce the plant's carbon footprint by improving plant-wide energy efficiency and reliability, reducing the use of petroleum based polymers, and enhancing production and capture of digester gas, a renewable energy source that will be used to generate electricity. The original contract has provided improvements to the Flow Equalization Basin, Blend Tank mixing, Gravity Belt Thickeners, Process Building ventilation, Digester and Sludge-Holding Basin cleaning and repairs, Process Flow Measurement, gas collection, flares, and iron feed system for odor control. Overall, the proposed improvements will optimize the current process to reduce energy consumption and substantially increase the production of digester gas, which is a renewable energy source. The increased digester gas production from this contract will fuel a combined heat and power facility that is being implemented in a separate project.

On April 25, 2013 Council authorized a change order in the amount of \$525,709.09 for an emergency incident at Hornsby Bend related to a digested sludge pipe exceeding pressure limits. The burst pipe in the Govalle Complex Basement Mechanical room caused significant damage to both existing systems as well as new equipment installed as part of the contract. The work associated with this change order was to address the repair and replacement of equipment damaged by the flood, restore safe working conditions, and install preventative equipment to protect against future flooding.

After Council approved award of this change order, staff discovered an error in the total not-to-exceed contract authorization. The initial construction contract authorization was in the amount of \$25,410,000, plus a \$2,541,000 contingency, for a total contract amount not to exceed \$27,951,000. Due to an error in the Authorization History, Council only authorized a total not-to-exceed amount of \$28,397,710 on the action taken on April 25, 2013. As a result, the current not-to-exceed amount is \$131,000 less in contingency.

This request will add \$131,000 in contingency back to the project to reflect the original contingency amount authorized in the amount of \$2,541,000, with a total contract not-to-exceed amount of \$28,528,710. This funding is needed to complete the plant-wide energy efficiency and reliability improvements.

This project is located within zip code 78725 and is managed by the Public Works Department.

Matous Construction. Ltd., is located in Belton, Texas.