



**Recommendation for
Water & Wastewater Commission**

Commission Meeting Date:	September 14, 2016
Council Meeting Date:	October 6, 2016
Department:	Public Works
SUBJECT	
Authorize execution of Change Order #3 plus additional contingency to the construction contract with PEPPER-LAWSON WATERWORKS, LLC for the Ullrich Water Treatment Plant Hydraulic & Energy Efficiency Improvements project in the amount of \$912,396 for a total contract amount not to exceed \$8,118,196. (District 8)	
AMOUNT AND SOURCE OF FUNDING	
Funding in the amount of \$912,396 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Water.	
Purchasing Language:	N/A
Prior Council Action:	September 17, 2015- Council approved a construction contract with Pepper-Lawson Waterworks, LLC, for the Ullrich Hydraulic and Energy Efficiency Improvement Project.
For More Information:	Jim Steed, 512-801-0619; Omoruyi Ebomwonyi, 512-972-0237; Lucy Thompson, 512-974-7967; Sarah Torchin, 512-974-7141; Denise Avery, 512-972-0104
Boards and Commission Action:	September 14, 2016- To be reviewed by the Water and Wastewater Commission.
MBE/WBE:	This contract was awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 27.05% MBE and 1.52% WBE participation to date.

The Ullrich Water Treatment Plant (WTP) was constructed in 1969 and is one of three regional water treatment plants which provide drinking water for the City. The plant's raw water intake station utilizes six vertical turbine pumps to withdraw water from Lake Austin and to pump the untreated water to the treatment plant via two large diameter raw water pipelines. Treated water pump stations then convey treated water to the distribution system. These raw water pumps are critical to continuous operation of the Ullrich WTP.

This project renovates the Ullrich Water Treatment Plant's pumping stations to make them more energy efficient and reliable. All original pump station energy efficiencies were confirmed to be significantly below design ratings, which resulted in higher energy costs to operate the plant than per design. There are also significant reliability issues at the raw water intake station due to the age of the pumps in that facility and the lack of surge protection. Surge protection is standard at other pump stations of this size, and without it, the station is at risk of catastrophic damage if a power loss occurs while operating at full capacity.

As the Contractor was mobilizing to begin work at the raw water intake station, Pump No. 2 (which was not part of the current contract) experienced sudden catastrophic failure unrelated to the Contractor's activities. Damage to the pump shaft, impellers and the electric motor resulted. Austin Water requested assistance from the Contractor to investigate and remedy damages to Pump No. 2.

Change Orders No. 1 and No. 2 were negotiated with the Contractor to include scope and pricing for heavy-freight shipping and major shop repairs to the damaged Pump No. 2 and motor and additional rehabilitation expenses due to the actual condition of Pump No.5.

This project includes installation of surge tanks, air vacuum valves, and other ancillary assets designed to prevent damage from hydraulic surge in the system. Surge tank helps control sudden changes in fluid velocity. Change Order No. 3 is necessary to modify the construction of Surge Tank No. 2 from its original design, due to unknown utility conflicts. The concrete design for the surge tank vault needs to be enlarged and built 5-feet deeper in rock than originally planned. The negotiated price for Change Order No. 3 is \$250,000.

Beyond Change Order No. 3, the need for additional project contingency is anticipated to cover: 1) additional expense to fully rehabilitate Pump No. 4 (based on the known condition of Pump No. 5); 2) anticipated costs to refurbish Pump Nos. 4 and 5 motors (based on actual repairs required on Pump No. 2 motor); and 3) due to the potential of additional unforeseen conditions on work yet to be performed that will allow for the expeditious processing of any additional change orders.

This project is located within zip code 78746 (District 8) and is managed by the Public Works Department.

Pepper-Lawson Waterworks, LLC, is located in Katy, Texas.

AUTHORIZATION HISTORY

<u>AMOUNT</u>	<u>DATE -- DESCRIPTION</u>
\$6,498,000	09/17/15 (Council) -- Original construction contract
\$649,800	09/17/15 (Council) -- 10% Contingency
\$58,000	09/17/15 (Total Administrative Authority)
\$912,396	Proposed (Council) – Change Order & Additional Contingency
\$8,118,196	Total Contract Authorization

CONTRACT HISTORY

<u>AMOUNT</u>	<u>DATE -- DESCRIPTION (CO% / CUMULATIVE CO%)</u>
\$6,498,000	09/17/15 (Council) -- Original construction contract
\$109,000	04/15/16 -- CO #1 (Contingency) – Removal and repair to Pump # 2 (CO 1.68% / CO 1.68%)
\$559,500	07/20/16 -- CO #2 (Contingency/ Administrative Authority) – Shop repairs to Pump # 2 and rebuild of electric motor and additional cost to refurbish Pump #5 above contract allowance.(CO 8.61% / CO 10.29%)
\$250,000	(Proposed) -- CO #3 (Administrative Authority/ Additional Authorization) – Modifications to Surge Tank No. 2 (CO 3.85% / CO 14.14%)
\$701,696	(Proposed) Additional Contingency – Anticipated additional shop repair costs above contract allowance for Pump No. 4 of \$163,000, cost of motor repairs for Pump Nos. 4 & 5 of \$144,348/ea. and additional project Contingency of \$250,000 to cover unanticipated costs for contract work yet to be completed.(CO 10.79% / CO 24.93%)
\$8,118,196	Total Contract Expenditures 24.93% Cumulative Change Orders

MWBE Summary

Project specific subgoals stated in the solicitation were 0.76% African American; 1.74% Hispanic; 1.10% Native/Asian, 1.29% WBE. The firm(s) provided MBE/WBE Compliance Plan(s) which were approved by the Small and Minority Business Resources Department.

Participation for this change order:

NON M/WBE – PRIME	\$187,300	74.92%
Pepper-Lawson Waterworks, LLC, Katy, TX	\$187,300	74.92%
MBE TOTAL – SUBCONTRACTORS	\$59,600	23.84%
African American Subtotal	\$7,000	2.80%
(MB) SmithCo, Austin, TX (concrete)	\$7,000	2.80%
Hispanic Subtotal	\$40,000	16.00%
(FH) T Morales Co Electrical, Florence, TX (electrical)	\$7,000	2.80%
(FH) Melendrez Trucking, Austin, TX (hauling)	\$9,000	3.60%
(FH) JA Road Boring, Kyle, TX (boring)	\$24,000	9.60%
Native American Subtotal	\$6,200	2.48%

(FN) KLP Commercial, Round Rock, TX (rebar)	\$6,200	2.48%
Asian American Subtotal	\$6,400	2.56%
(FA) Metalink, Austin, TX (miscellaneous metal)	\$6,400	2.56%
WBE TOTAL – SUBCONTRACTORS	\$3,100	1.24%
(FW) Choctaw Pipe Equipment, Houston, TX (pipe)	\$3,100	1.24%

Overall participation based on contract expenditures as of June 15, 2016 (not including this change order):

PRIME:

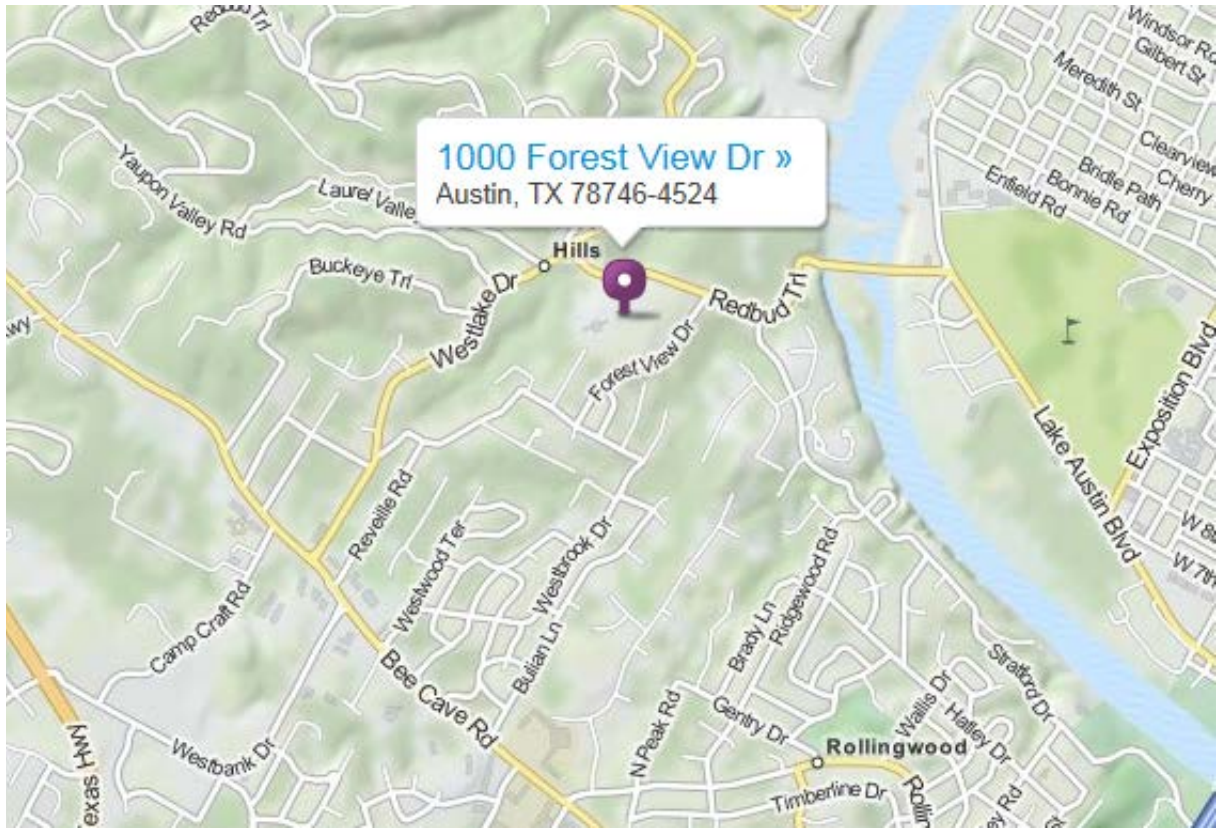
94.93% Non M/WBE

SUBCONTRACTORS:

0.42% African American; 3.59% Hispanic; 0.00% Native/Asian; 0.08% WBE; and 0.97% Non M/WBE

TOTAL:

0.42% African American; 3.59% Hispanic; 0.00% Native/Asian; 0.08% WBE; and 94.90% Non M/WBE



ULLRICH WATER TREATMENT PLANT

1000 FOREST VIEW DRIVE

AUSTIN, TEXAS 78746