

A G E N D A



Recommendation for Council Action (CCO)

Austin City Council	Item ID:	62986	Agenda Number	8.
---------------------	----------	-------	---------------	----

Meeting Date: October 6, 2016

Department: Capital Contracting Office

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 and 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 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Water.

Fiscal Note

A fiscal note is attached.

Purchasing Language:	Original contract was awarded through a competitive Invitation for Bid solicitation process.
Prior Council Action:	September 17, 2015 – Council approved a construction contract with Pepper-Lawson Waterworks, LLC.
For More Information:	Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Jim Steed, 512-974-1581; Omoruyi Ebomwonyi, 512-972-0237; Lucy Thompson, 512-974-7967.
Boards and Commission Action:	September 14, 2016 - Recommended by the Water and Waste Water Commission on a vote of 8-0 with Commissioners Kellough, Lee, and Parker absent.
Related Items:	
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.

Additional Backup Information

The Ullrich Water Treatment Plant 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 Water Treatment Plant.

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 experienced sudden catastrophic failure unrelated to the Contractor's activities, which resulted in damage to the pump shaft, impellers, and the electric motor. 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.

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.

Beyond Change Order No. 3, the need for additional project contingency is anticipated to cover additional expense to fully rehabilitate Pump No. 4 (based on the known condition of Pump No. 5); anticipated costs to refurbish Pump Nos. 4 and 5 motors (based on actual repairs required on Pump No. 2 motor); and 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. A contingency is an additional amount of money added to the construction budget to cover any unforeseen construction costs associated with the project.

A delay in execution of this change order could result in continued inefficient energy usage at the Ullrich Water Treatment Plant.

This change order has been approved by the City's Change Control Committee. The Change Control Committee was established to comply with Council Resolution No. 20120126-048, which required the establishment of consistent criteria and process to evaluate contractual changes for all contracts administered by the Capital Contracting Office. The Change Control Committee is comprised of management-level subject matter experts.

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

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