



Legislation Text

File #: ID 16-0730, **Version:** 1

Resolution Authorizing Extension 3 of Contract 2012-095 with KRG Utility, Inc. for the Water and Sewer Rehabilitation Project “L” Project

Department: Water Resources
Council District: All

Public Hearing: N/A
Advertising Date/By: N/A

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PURPOSE:

Water Resources wishes to exercise the option to extend Water and Sewer Rehabilitation Contract 2012-095 to add other various locations for pipe rehabilitation with funding approved in the FY 16-17 Budget. In order for work to proceed, approval for a contract extension is requested.

BACKGROUND:

Contract 2012-095 was approved by City Council on May 21, 2013. The contract was awarded to KRG Utility, Inc. The contract called for the rehabilitation of water and sewer lines by slip-lining, pipe bursting and cured-in-place pipe in various locations around the city. When this contract was bid, the City reserved the right to extend it as a “Unit Price Contract” on an annual basis, which is accounted for in the current adopted operating budget. Contract Extension 1 was approved by Council on 7/15/2014. Contract Extension 2 was approved by Council on 9/01/2015. Contract language provides the ability to increase unit prices up to 1.5% for each year of the extensions. To date, no increases have been proposed for the previous extensions. Water Resources proposed an increase of 1.5% for this extension due to increased labor and material costs.

Water Resources has identified additional water and sewer lines in the Westerwood and Lindley Park and Starmount neighborhoods, and throughout the City in support of the City’s increased efforts on resurfacing. The majority of the lines in need of rehabilitation were installed prior to 1950 and have decayed over time resulting in increased incidents of maintenance, stoppages and repairs. The additional footage of 4-inch through 36-inch sewer lines to be cleaned, inspected by camera and rehabilitated includes approximately 48,250 linear feet of sewer, 521 services, 191 manholes. Also, 8,400 linear feet of 2-inch through 8-inch waterline has been identified for rehabilitation with approximately 180 services. This additional work will add \$7,592,000 to contract 2012-095, which brings the total contract value to \$28,759,469.10.

The current MWBE utilization on this contract is 2% MBE and 3% WBE. With the help of the MWBE office and Water Resources, the contractor has increased the proposed participation of both women and minority subcontractors. Those new commitments will increase the minority participation to 8.0% and increase women participation to 7.0% which meets the MWBE program aspirational goals.

BUDGET IMPACT:

The additional funds for this \$7,592,000 contract extension are budgeted in the Water Resources Capital Improvement Fund in the following accounts: 503-7026-02.6017 Activity A17039 in the amount of \$5,589,000 and 503-7026-01.6016 Activity A17035 in the amount of \$2,003,000.

RECOMMENDATION / ACTION REQUESTED:

The Water Resources Department recommends and requests that City Council approve Contract Extension 3 in the amount of \$7,592,000 to increase the contract amount of Contract 2012-095.