

## AGENDA



Thursday, May 24, 2007

**Public Works****Item No. 15****RECOMMENDATION FOR COUNCIL ACTION**

**Subject:** Authorize negotiation and execution of an amendment to the professional services agreement with CAMP DRESSER and McKEE (CDM) Austin, TX, in an amount not to exceed \$833,179 for additional construction phase services for the Ullrich Water Treatment Plant Expansion Contract 4 Project, for a total project cost for all project costs for design and construction phases in the amount of \$24,522,563.

**Amount and Source of Funding:** Funding in the amount of \$833,179 is in the Fiscal Year 2006-2007 Capital Improvement Budget of the Austin Water Utility.

**Fiscal Note:** A fiscal note is attached.

**For More Information:** Jay Ulary, P.E. 974-7113, Jim Randig, P.E. 972-0259, Laura Bohl 974-7064.

**MBE/WBE:** This contract was awarded in compliance with Chapter 2-9B of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program), 13.74% MBE and 24.38% WBE subconsultant participation to date.

**Boards and Commission Action:** Recommended by the Water and Wastewater Commission.

**Prior Council Action:** 06/22/00 - Initial Professional Service Agreement for Preliminary Engineering Report and design/construction phase services for a Membrane Demonstration Plant; 03/22/01 – Construction Phase services for the Membrane Demonstration Plant; 07/18/02 - Design Phase Services; 10/23/03 Construction Phase Services; 06/08/06 – Additional Construction Phase Services Contract 3.

In November 2003, the City entered a contract with Archer Western Contractors for the amount of \$60,852,810 to construct the Ullrich Water Treatment Plant Expansion to 160 MGD (million gallons per day) – Contract 3 Project. Of the five interim contractual milestones that were to be substantially completed by February 8, 2006, and finally completed by May 9, 2006, Archer Western Contractors failed to meet four of the five milestones and substantial and final completion dates as required in the contract. Archer Western was given a list of defective or warranty work items but they will not complete these items. In order preserve and protect the health and safety of the City and its residents, the City has elected to procure a contract to complete this work as the Ullrich Water Treatment Plant Expansion to 160 MGD - Contract 4 project.

In March of this year, staff brought Council a request for additional construction phase services for Contract 3 Project to fund construction phase services for the original contractor to complete the contract. Subsequently, the City elected to procure a contract to complete the work that Archer Western will not perform. In order to expedite the schedule, the March 2007 authorization was re-allocated to fund preparation of the bid process for a contract to complete the work under the Contract 4 Project.

This amendment is for Construction Phase Services for the Ullrich Water Treatment Plant Expansion to 160 MGD Contract 4 Project. Due to unknown variables that occur when one contractor completes the work initiated by another contractor, the Contract 4 project must be budgeted to account for allowances due to those potential variables. The work will be performed as directed work which is a method of payment that pays direct costs of time and materials to the contractor. It generally results in costs beyond

those originally anticipated. However, it is an essential strategy in creating reasonable scopes of work with specifically allocated values.

The City will pursue reimbursement from Archer Western Contractors, Inc., for the work that they have not performed.