

## A G E N D A



## Recommendation for Council Action (CLMD)

Austin City Council

Item ID:

66681

Agenda Number

8.

Meeting Date:

January 26, 2017

Department:

Capital Contracting Office

Subject

Authorize execution of an indefinite delivery/indefinite quantity contract with FACILITIES REHABILITATION, INC., for water service line replacement, in an amount not to exceed \$1,000,000 for an initial 12-month term, with three 12-month extension options not to exceed \$1,000,000 each for a total contract amount not to exceed \$4,000,000.

Amount and Source of Funding

Funding in the amount of \$1,000,000 is available in the Fiscal Year 2016-2017 Capital Budget of Austin Water. Funding for the extension options is contingent on approval of future budgets.

Fiscal Note

A fiscal note is attached.

Purchasing  
Language:

Lowest responsive bid of four bids received through a competitive Invitation for Bid solicitation.

Prior Council  
Action:

For More  
Information:

Rolando Fernandez, 512-974-7749; Sarah Torchin, 512-974-7141; Denise Avery, 512-972-0104; Joe Hoepken, 512-972-1168.

Boards and  
Commission  
Action:

December 14, 2016 - Recommended by the Water and Wastewater Commission on a vote of 8-0 with Commissioners Blanding and Michel absent and Commissioner Lee off the dais.

Related Items:

MBE / WBE:

This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 98.26% MBE and 1.74% WBE participation.

Additional Backup Information

Austin Water's distribution system includes approximately 200,000 water services, which are small diameter pipelines (typically two inches or less) and convey potable water from water mains to Austin Water customers. An estimated 15% of water services are made of polybutylene or polyethylene pipe. These pipe services have a high rate of failure because prolonged exposure to chlorinated water will gradually break the bonds in the pipes. Over time, polybutylene or polyethylene pipe services become weak and brittle and eventually break due to water pressure. Austin Water repairs and/or replaces about 800 broken water services at an approximate cost of \$5,000,000 annually and the majority of these services are made of polybutylene or polyethylene pipe.

Indefinite Delivery/Indefinite Quantity contracts provide for an indefinite quantity of services for a fixed time, usually an initial term with extension options. They are commonly used when precise quantities of supplies or services, above a specified minimum, cannot be determined. Indefinite Delivery/Indefinite Quantity contracts help streamline the contract process and service delivery and allow the City the flexibility to add work as needs arise or change. As each project is defined, a specific work assignment will be given to the contractor who will complete the scope of work for the unit prices included in the contract. Work deadlines will be established for each work assignment.

Austin Water's asset management database indicates most of the leaks that Austin Water's Distribution System Maintenance division responds to annually are water service leaks. A significant number of those leaks are on polybutylene or polyethylene pipe material with the number of leaks on these pipes increasing due to the inherent brittle characteristics as these lines age. The intent of this program is to continually replace the polybutylene or polyethylene pipe water service lines with either copper or high density polyethylene pipe material in an effort to eventually reduce operation and maintenance costs resulting from the increasing repair of the services, free up Austin Water's Distribution System Maintenance division resources to focus on other areas of the distribution system, and ultimately reduce the annual water loss and the Infrastructure Leakage Index, which is a standardized performance indicator of real (physical) water loss in a water distribution system. The \$1,000,000 allotted per year will allow for the replacement of approximately 200-250 services per year.

The contract term is for an initial 12-month period with three optional 12-month extensions.

This item is not time sensitive, however a delay would prolong staff ability to mitigate water service leaks that could result in prolonged water service failures and/or additional repair work.

**RECOMMENDED FIRM:** Facilities Rehabilitation, Inc., Austin, TX

Information on this solicitation is available on the City's Austin Finance Online website. Link: [Solicitation Documents](#).