



**Construction Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 24
AGENDA DATE: Thu 06/24/2004
PAGE: 1 of 2**

SUBJECT: Ratify the execution of a construction contract with SHAW ENVIRONMENTAL, INC., Findlay, OH, for hazardous excavation at the North Service Center project located at 10414 McKalla Place in response to the explosion that occurred at the construction project site November 3, 2003. in the amount of \$1,573,985 plus a \$236,000 contingency, for a total contract amount not to exceed \$1,809,985.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$1,809,985 is available in the Fiscal Year 2002-2003 Capital Budget of the Austin Water Utility.

FISCAL NOTE: A fiscal note is attached.

REQUESTING DEPARTMENT: Public Works

DIRECTOR'S AUTHORIZATION: Sondra Creighton

FOR MORE INFORMATION CONTACT: Alison Von Stein, 974-7217; Laura Bohl, 974-7064

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Health or Safety Purchase Exemption.

MBE / WBE: 1.6% MBE and 0% WBE subcontractor participation.

An explosion occurred at the site of the North Service Center construction project, located at 10414 McKalla Place on November 3, 2003 during excavation for a storm sewer line. Four construction workers were injured during the explosion.

Immediately after the explosion, Shaw Environmental, Inc. (Shaw) was contacted to provide professional services, through their rotation list contract with the City, to help investigate the cause of the explosion, assess whether it could happen again, and to develop a strategy to ensure that construction could continue without risk to our contractors and the general public. As part of their scope of services, Shaw provided non-invasive testing of the explosion area to give some indication of what might lie beneath the surface, and also conducted follow-up excavation under high hazard conditions, to gather further information. The follow-up excavation took place at the explosion area, and Shaw also excavated anomalies found during the non-invasive testing. Over one hundred anomalies were excavated (out of a total of 179 detected). The most notable items found were:

- ⇒ A brown glass shard (perhaps from a type of bottle used to store chemicals) was found at the explosion site and an intact brown glass bottle was found nearby. These both tested negative for benzoyl peroxide.
- ⇒ A lumpy, white, pasty substance was found inside a 5-gal white plastic bucket near the explosion site. Field and lab tests were positive for benzoyl peroxide.

Shaw prepared a subsurface investigation report detailing the findings of the non-invasive testing and follow-up exploratory excavation. Shaw also prepared a hazard management plan which outlined



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alternatives to achieve site clearance. Based on the dire consequences of the hazardous material, and the discovery of a container of benzoyl peroxide after the November 3, 2003 explosion, the site clearance option that was chosen is excavation to limestone bedrock all soil not previously excavated, and screening the excavated soil so as not to overlook a small container, or remnant of a container, of hazardous material. (Roughly one-third of the site has already been excavated to limestone bedrock as a result of site construction activities.)

Because of their qualifications and familiarity with the site, Shaw was chosen to perform this excavation work and a contract has been executed with them as authorized under Section 252.022(a)(2) of the Texas Local Government Code, which exempts procurement necessary to preserve or protect the public health and safety of the City's residents. The excavation work will be performed under high hazard conditions, which includes the use of blast shields, protective gear for the workers, and a site-specific health and safety plan. The contractor will maintain an exclusion zone around the excavation operation.

Ratification is requested for a construction contract with Shaw Environmental, Inc. for a not-to-exceed amount of \$1,573,985.00 plus a contingency amount of \$236,000.00, for performing hazardous excavation services for the North Service Center.

The amount of soil the contract amount is based on is an estimate and the actual amount will vary because the exact depth of the bedrock cannot be determined economically prior to excavation. Authorization for an additional contingency amount of \$236,000 is requested, due to the uncertainties that are inherently involved in this type of work. A large amount of soil will be dug and it is not known what might need to be tested and/or treated as hazardous waste and how that might impact the cost of the excavation contract and its schedule. Contingency funding will allow for expeditious processing of any future change orders that may be necessary.

The contract allows 90 (ninety) calendar days for completion of this project. Excavation began in late May.

The Public Works Department executed an Emergency Declaration Affidavit on May 14, 2004, declaring the situation a public safety hazard which should be immediately addressed. In that this is an action responding to a health and safety issue, bidding is not required and there are no MBE/WBE requirements.

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

6/17/2004
Resolution
Austin Water Utility

DESCRIPTION:

Ratify the execution of a construction contract with SHAW ENVIRONMENTAL, INC., Findlay, OH, for hazardous excavation at the North Service Center project located at 10414 McKalla Place in response to the explosion that occurred at the construction project site November 3, 2003, in the amount of \$1,573,985.00 plus a \$236,000.00 contingency, for a total contract amount not to exceed \$1,809,985.00.

FINANCIAL INFORMATION:

Parent Project Name: 1998 Wastewater Imps. Prop. 9
Project Authorization: 2002-03 Amended Capital Budget
Funding Source: 1998 Revenue Bonds
Number: 4530 237 2020

Current Appropriation	\$ 66,802,000.00
Unencumbered Balance	26,183,324.47 *
Amount of This Action	<u>(652,492.50)</u>
Remaining Balance	<u>\$ 25,530,831.97</u>
Current Available Balance	\$ 26,992,848.47
Less Outstanding Commitments	<u>(809,524.00)</u>
Estimated Unencumbered Balance	<u>\$ 26,183,324.47 *</u>

Utility Finance: _____


David Anders, Utilities Finance Manager

Date: _____

6/4/04

REF. # 4530 237 8962

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

6/17/2004
Resolution
Austin Water Utility

DESCRIPTION:

Ratify the execution of a construction contract with SHAW ENVIRONMENTAL, INC., Findlay, OH, for hazardous excavation at the North Service Center project located at 10414 McKalla Place in response to the explosion that occurred at the construction project site November 3, 2003, in the amount of \$1,573,985.00 plus a \$236,000.00 contingency, for a total contract amount not to exceed \$1,809,985.00.

FINANCIAL INFORMATION:

Parent Project Name: 1998 Water Improvements Prop. 8
Project Authorization: 2002-03 Amended Capital Budget
Funding Source: 1998 Revenue Bonds
Number: 4200 227 1024

Current Appropriation	\$ 64,179,000.00
Unencumbered Balance	26,579,003.31 *
Amount of This Action	<u>(1,157,492.50)</u>
Remaining Balance	<u>\$ 25,421,510.81</u>
Current Available Balance	\$ 27,079,003.31
Less Outstanding Commitments	<u>(500,000.00)</u>
Estimated Unencumbered Balance	<u>\$ 26,579,003.31 *</u>

Utility Finance: _____

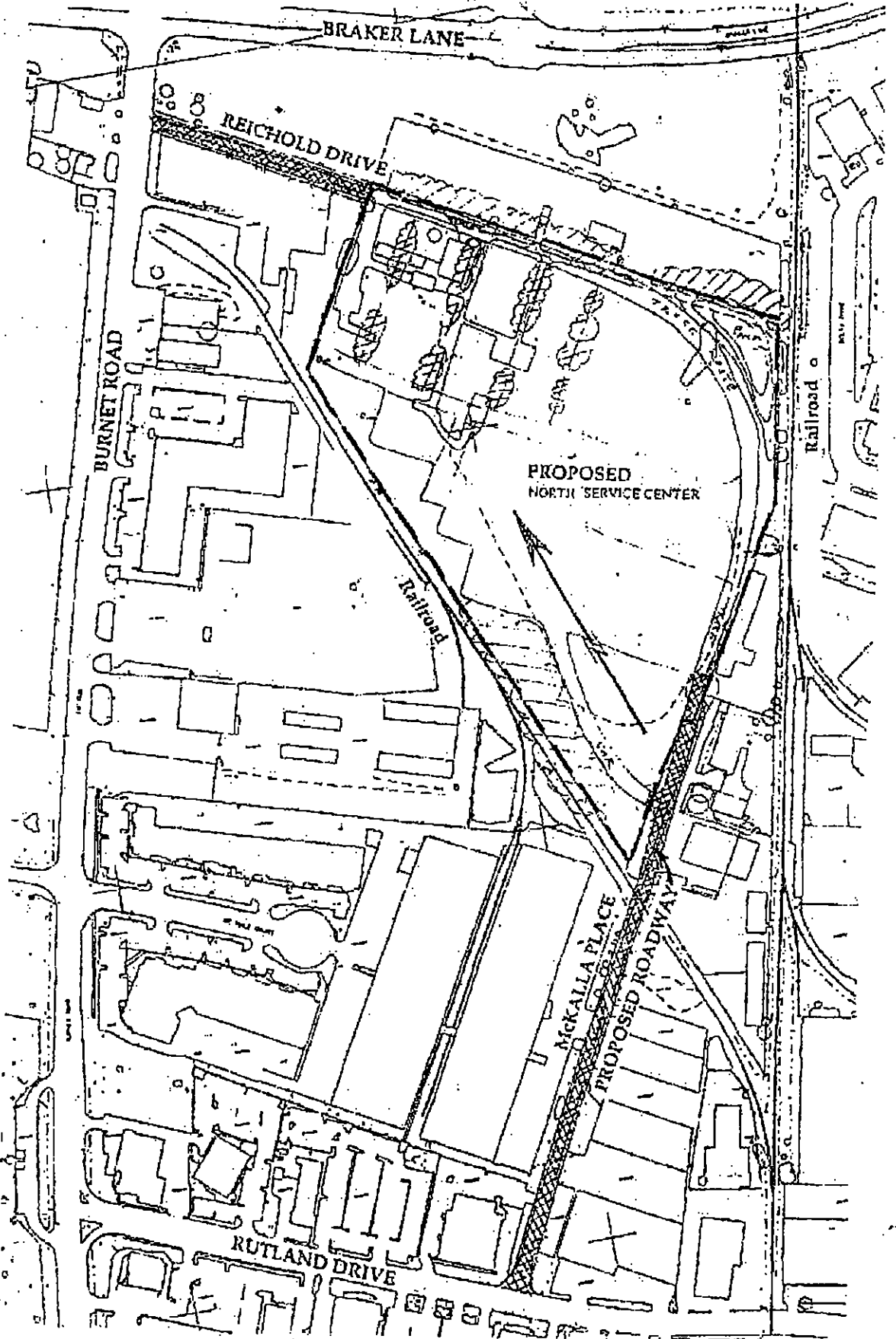


David Anders, Utilities Finance Manager

Date: _____

6/9/04

REF. # 4200 227 7959



LOCATION MAP