



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

**AGENDA ITEM NO.: 21  
AGENDA DATE: Thu 10/20/2005  
PAGE: 1 of 3**

**SUBJECT:** Authorize execution of a construction contract with MEARS HDD, LLC, Rosebush, MI, for the Davenport Horizontal Directional Drilling (HDD) Improvements Project STAA #9A1 and #9B1 in the amount of \$5,190,787.10 plus a \$300,000 contingency, for a total contract amount not to exceed \$5,490,787.10.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$5,490,787.10 is included in the Fiscal Year 2005-2006 Capital Budget of the Austin Water Utility.

**FISCAL NOTE:** A fiscal note is attached.

**REQUESTING** Public Works  
**DEPARTMENT:**for Austin Water Utility;

**DIRECTOR'S  
AUTHORIZATION:** Sondra Creighton

**FOR MORE INFORMATION CONTACT:** Philip L. Salyers, 974-7144; Mike Boyle, P.E., 972-0252; Laura Bohl, 974-7064

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** Recommended by the Water and Wastewater Commission.

**PURCHASING:** Lowest bid of two received.

**MBE / WBE:** 18.16% MBE and 1.20% WBE subcontractor participation.

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As one of the non-state mandated 1997 Annexation Program projects, the Davenport Wastewater Improvements Project was created in order to convey the wastewater generated by the Davenport Ranch service area into the City of Austin collection system. The Davenport Wastewater Improvements Project will ultimately comprise three projects:

**Project 3:** The proposed Davenport Lift Station will be located near the maintenance facility for Austin Country Club (ACC) golf course. This will allow the existing Davenport wastewater treatment plant (WWTP) within ACC to be decommissioned. The Davenport WWTP is at capacity and cannot be expanded.

**Project 2:** After wastewater is conveyed by the horizontal directional drilling (HDD) force mains to a high point along Loop 360, Project 2 will include the construction of a 15-inch gravity wastewater line to convey the flow to the Crosstown Tunnel at FM 2222. This project will also include the construction of a 24-inch water line at the northeast corner of the intersection of Loop 360 and FM 2222 to relieve a bottleneck in the water system. This water line upgrade has been included in the City's water master plan for 10 years.

This RCA requests authorization for the construction of the first component of the eventual three-part project Davenport Wastewater Improvements Projects. Construction for **Project 1** consists of the following:

- 800 linear feet of 18-inch high-density polyethylene (HDPE) gravity wastewater line constructed via HDD, from the existing WWTP will be extended to feed the proposed lift station cited above;
- 3,850 linear feet of dual 12-inch HDPE wastewater force mains and six, 3-inch electrical conduits



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installed by HDD with a single, 30-inch steel casing with specialty grout in two crossings (Segment 1 approximately 1,950 linear feet from the proposed lift station site to the Travis County Boat Ramp underneath Loop 360 and Segment 2 approximately 1,900 linear feet from the Travis County Boat Ramp to the high point along Loop 360 just past the southern entrance of Courtyard Drive);

- 780 linear feet of dual 12-inch HDPE wastewater force mains, 210 linear feet of six, 3-inch electrical conduits installed in a common trench by open cut, wastewater combination air release and vacuum valves, and electric manholes (constructed either outside the Travis Country Boat Ramp underneath Loop 360 or along the TxDOT ROW of Loop 360).

From the proposed Davenport Lift Station, the most feasible method for transmitting flow from the Davenport Ranch subdivision to the Cross-town Tunnel was via HDD underneath Lake Austin. HDD has been proven to be a reliable construction method through previous water line construction underneath Lake Austin, as part of the 1997 Annexation Program.

Due to the highly specialized construction method and the potential for unknown subsurface conditions and utility conflicts when working within the right-of-way, an approximate 5% contingency in funding has been included to allow for the expeditious processing of any future change orders. The contract allows 210 calendar days for completion of this project.

Bid documents were distributed to six general contractors. Bids were opened on September 1, 2005. Mears HDD, LLC, submitted the lower of two bids received:

Mears HDD, LLC, Rosebush, MI	\$5,190,787.10
Keystone Construction, Inc., Austin, TX	\$6,728,639.50

The contractor's choice of work methodology provides for subcontracting opportunities in eight areas, which are listed below. Participation subgoals stated in the solicitation were 2.79% African American (MB); 6.80% Hispanic (MH); 0.00% Native American; 3.81% Asian Americans; and 6.02% WBE. Total participation estimated on base bid amount of \$5,190,787.10:

<b>NON M/WBE TOTAL – PRIME</b>	<b>\$4,186,537.00</b>	<b>80.64%</b>
Mears HDD, LLC, Rosebush, MI	\$4,186,537.00	80.64%
<b>MBE TOTAL – SUBCONTRACTORS</b>	<b>\$942,200.00</b>	<b>18.16%</b>
<b>African American Subtotal</b>	<b>\$27,000.00</b>	<b>0.52%</b>
Sam & Marie Kellough Trucking, Austin, TX (hauling)	\$27,000.00	0.52%
<b>Hispanic Subtotal</b>	<b>\$841,200.00</b>	<b>16.21%</b>
Melendrez Brothers, Austin, TX (hauling)	\$20,200.00	0.39%
Lupe Rubio Construction Co. Inc., Kingsland, TX (construction, excavation services, backfill)	\$821,000.00	15.82%
<b>Asian American Subtotal</b>	<b>\$74,000.00</b>	<b>1.43%</b>



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Ben Qwest LLC, Austin, TX (fuel supplier)	\$74,000.00	1.43%
<b>WBE TOTAL – SUBCONTRACTORS</b>	<b>\$62,050.00</b>	<b>1.20%</b>
N-Line Traffic Maintenance, Austin, TX (traffic control)	\$13,100.00	0.25%
Diva Imaging, Austin, TX (construction photos)	\$1,950.00	0.04%
Fuquay, Inc., Austin, TX (landscaping)	\$47,000.00	0.91%

Although the Department of Small and Minority Business Resources deemed that Mears HDD, LLC, did not satisfy the MBE/WBE Ordinance, the City Manager has determined that the award of this contract is in the best interest of the City of Austin. Second low bidder information is provided.

SECOND BIDDER – Keystone Construction Inc., Austin, TX - \$6,728,639.50  
36.84% Non M/WBE prime participation; 2.96% MB; 7.13% MH; 0.00% NA; 3.89% AA; 6.08% WBE;  
43.10% Non M/WBE subcontractor participation.

## CIP FISCAL NOTE

**DATE OF COUNCIL CONSIDERATION:**  
**WHERE ON AGENDA:**  
**DEPARTMENT:**

10/20/05  
Resolution  
Austin Water Utility

**DESCRIPTION:**

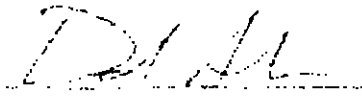
Authorize execution of a construction contract with MEARS HDD, LLC, Rosebush, MI, for the Davenport HDD Improvements Project STAA #9A1 and #9B1 in the amount of \$5,490,787.10 plus a \$300,000 contingency, for a total contract amount not to exceed \$5,490,787.10

**FINANCIAL INFORMATION:**

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2005-06 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 494,673,293.00
Unencumbered Balance	122,436,082.12 *
Amount of This Action	<u>(5,490,787.10)</u>
Remaining Balance	<u>\$ 116,945,295.02</u>
Current Available Balance	\$ 140,511,315.70
Less Outstanding Commitments	<u>(18,075,231.62)</u>
Estimated Unencumbered Balance	<u>\$ 122,436,082.12 *</u>

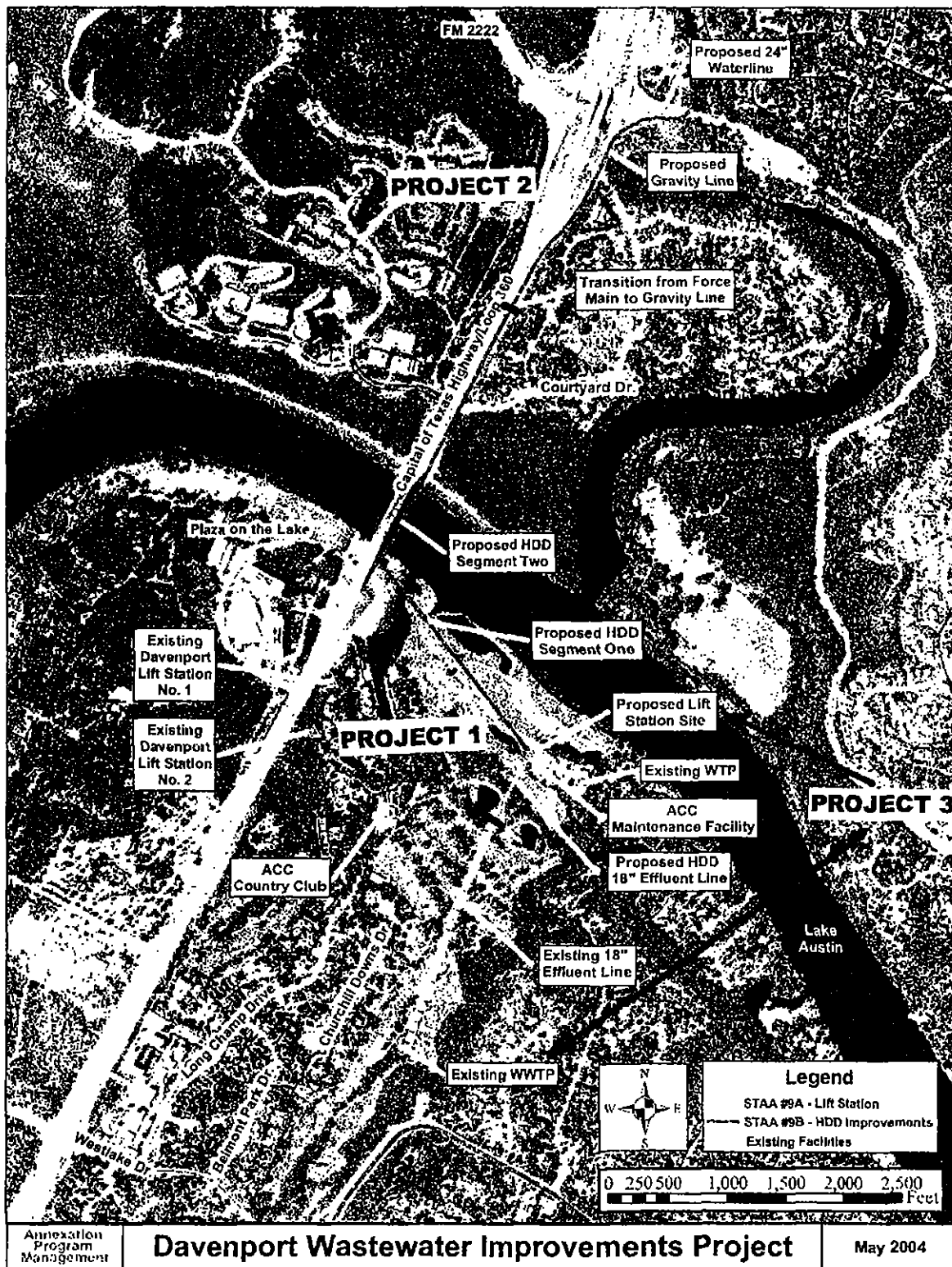
Utility Finance:

  
David Anders, Utility Finance Manager

Date:

7/28/05

REF. # 4570 237 8923



No. 100505-A  
WATER AND WASTEWATER COMMISSION RESOLUTION  
CONSTRUCTION CONTRACT WITH MEARS HDD, LLC, FOR THE DAVENPORT HDD  
IMPROVEMENTS PROJECT STAA #9A1 AND 9B1 IN THE AMOUNT OF \$5,190,787.10 PLUS A \$300,000  
CONTINGENCY, FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$5,490,787.10

October 5, 2005  
REGULAR MEETING  
VOTE: 8-0-0-1

Motion made by: Friese  
Commissioners Consenting: Coleman, Warner, Lee, Pool, Raun, Scott-Ryan, Chan  
Commissioners Dissenting:  
Commissioners Abstaining:  
Commissioners Absent: Gonzalez

The Water and Wastewater Commission recommends the Council authorize execution of a construction contract with MEARS HDD, LLC, Rosebush, MI, for the Davenport HDD Improvements Project STAA #9A1 and 9B1 in the amount of \$5,190,787.10 plus a \$300,000 contingency, for a total contract amount not to exceed \$5,490,787.10.

  
Michael Warner, Chairperson  
Water and Wastewater Commission

10/5/5  
Date



## MEMORANDUM

**TO:** Joe Canales, Deputy City Manager                      Toby Futrell, City Manager

**FROM:** Sondra Creighton, P.E., Director                      Chris Lippe, P.E., Director  
Public Works Department                      Austin Water Utility

**DATE:** September 20, 2005

**SUBJECT:** Request for M/WBE Goals Waiver – Davenport HDD Improvements Project STAA #9A1 and #9B1

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As one of the non-state mandated 1997 Annexation Program projects, the Davenport Wastewater Improvements Project was created in order to convey the wastewater generated by the Davenport Ranch service area into the City of Austin collection system. From the proposed Davenport Lift Station, the most feasible method for transmitting flow from the Davenport Ranch subdivision to the Cross-town Tunnel was via Horizontal Directional Drilling (HDD) underneath Lake Austin. HDD has been proven to be a reliable construction method through a previous water line construction underneath Lake Austin, as part of the 1997 Annexation Program. The Davenport Wastewater Improvements Project is comprised of three projects:

**Project 1:** Installation of new gravity pipe by Horizontal Directional Drilling (HDD), installation of approximately 3,850 linear feet of dual 12-inch wastewater force mains and six 3-inch electrical conduits installed by HDD within a single casing in two crossings (Segment 1 approximately 1,950 linear feet and Segment 2 approximately 1,900 linear feet), installation of approximately 780 feet of dual 12-inch wastewater force mains, installation of six 3-inch electrical conduits installed in a common trench by open cut, wastewater combination air release and vacuum valves, electrical manholes, and appurtenances associated with the entire construction.

**Project 2:** After wastewater is conveyed by the HDD force mains to a high point along Loop 360, Project 2 will include the construction of a 15-inch gravity wastewater line will convey the flow to the Cross-town Tunnel at FM 2222. This project will also include the construction of a 24-inch water line at the northeast corner of the intersection of Loop 360 and FM 2222 to relieve a bottleneck in the water system. This water line upgrade has been included in the City's water master plan for 10 years.

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Bids were opened for Project 1 on September 1, 2005. Mears HDD, LLC submitted the lower of two bids:

Mears HDD, LLC, Roscbush, MI	\$5,190,787.10
Keystone Construction Inc., Austin, TX	\$6,728,639.50

Participation sub-goals stated in the solicitation were 2.79% African American (MB); 6.80% Hispanic (MH); 0.00% Native American (MN); 3.81% Asian Americans (MA); 6.02% WBE.

The Department of Small and Minority Business Resources (DSMBR) has determined that the M/WBE Compliance Plan submitted by Mears HDD, LLC did not comply with the MBE/WBE Ordinance.

However, the interests of the City of Austin and the M/WBE program would be best served by awarding the construction contract to the low bidder, Mears HDD, LLC for the following reasons:

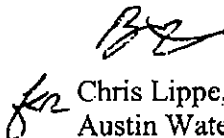
- The City's easement to work on the golf course is very specific – the work must be completed over a 14 day period between December and February. Re-bidding the project at this point would potentially cause the project to miss this timeframe and would significantly delay the project.
- Mears HDD, LLC bid of \$5,190,787.10 is approximately 33% lower than the second bidder.

Please sign below to indicate your concurrence or non-concurrence with our recommendation to award the construction contract to Mears HDD, LLC.

If you have any questions, please contact Sondra Creighton at 974-7175 or Chris Lippe at 972-0108.



Sondra Creighton, P.E., Director  
Public Works Department



Chris Lippe, P.E., Director  
Austin Water Utility

Concur:

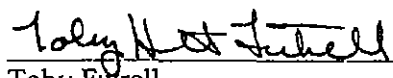
  
Joe Canales  
Deputy City Manager

9-20-04  
Date

Do Not Concur:

Joc Canales  
Deputy City Manager

Date

  
Toby Futrell  
City Manager

Date

Toby Futrell  
City Manager

Date