

# Mayor and Council Communication

**DATE:** 08/20/19

**M&C FILE NUMBER:** M&C 19-0064

**LOG NAME:** 6018WLEADSVCR3-TEJASC

## **SUBJECT**

Adopt Appropriation Ordinance in the Amount of \$500,000.00 to Fund the Third and Final Renewal of City Secretary Contract No. 50061 with Tejas Commercial Construction, LLC, for the 2018 Water Lead Services Replacement Contract for Various Locations Throughout the City (ALL COUNCIL DISTRICTS)

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## **RECOMMENDATION:**

It is recommended that the City Council adopt the attached Appropriations Ordinance increasing estimated receipts and appropriations in the Water and Sewer Capital Projects Fund in the amount of \$500,000.00 from available funds for the 2018 Water Lead Services Replacement Contract to fund the Third and Final Renewal of City Secretary Contract No. 50061 with Tejas Commercial Construction, LLC, for the 2018 Water Lead Services Replacement Contract (City Project No. 101100).

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## **DISCUSSION:**

On December 5, 2017, Mayor and Council Communication (M&C C-28499) the City Council authorized the City Manager to execute a contract in the amount of \$450,000.00, with the option of three renewals, subject to appropriated funding with Tejas Commercial Construction, LLC for the 2018 Water Lead Services Replacement Contract (City Secretary Contract No. 50061).

On August 7, 2018, Mayor and Council Communication (M&C C-28777) the City Council authorized the City Manager to execute the first of three optional contract renewals in the amount of \$450,000.00, with Tejas Commercial Construction, LLC for the 2018 Water Lead Services Replacement Contract and pre-authorized two additional renewals.

On March 19, 2019, Mayor and Council Communication (M&C C-29064) the City Council authorized the City Manager to execute the second of three optional contract renewals in the amount of \$450,000.00, with Tejas Commercial Construction, LLC for the 2018 Water Lead Services Replacement Contract and pre-authorized one additional renewal.

The City and the Contractor desire to exercise the third and final renewal of the contract in the amount of \$450,000.00 and with the same terms and conditions. This renewal increases the total project amount to \$1,800,000.00.

The work to be performed under this contract consists of replacing water services that have been identified as lead water services. This contract is necessary to maintain quality water service by augmenting Water Field Operation's efforts in removing lead services from the water system in a timely manner.

In addition to the contract amount, \$50,000.00 is required for project management, material testing and inspection.

This project will have no impact on the Water Department's operating budget when completed. Construction is expected to start August 2019 and be completed by August 2020 or when the contract amount is exhausted.

M/WBE OFFICE: Tejas Commercial Construction, LLC is in compliance with the City's DBE Program by committing to eight percent MBE participation on this project. The City's MBE goal on this project is eight percent. Additionally, Tejas Commercial Construction, LLC is a certified M/WBE firm.

This project is located in ALL COUNCIL DISTRICTS.

A Form 1295 is not required for this contract because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and adoption of the attached appropriation ordinance, funds will be available in the current capital budget, as appropriated, of the Water and Sewer Capital Projects Fund. The Fiscal Year 2019 Water Operating Budget includes appropriations of \$23,865,180.00 for the purpose of providing Pay-As-You-Go funding for Water Capital Projects. After this transfer for Fiscal Year 2019, the balance will be \$7,394,914.00.

Appropriations for 2018 Water Lead Services Replacement Contract for Various Locations Throughout the City (ALL COUNCIL DISTRICTS) are as depicted below:

Fund	Existing Appropriations	Additional Appropriations	Project Total*
W & S Capital Projects - Fund 56002	\$1,500,000.00	\$500,000.00	\$2,000,000.00
Project Total	\$1,500,000.00	\$500,000.00	\$2,000,000.00

\* Numbers rounded for presentation.

**Submitted for City Manager's Office by:** Jay Chapa 5804

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