



CITY COMMISSION STAFF REPORT

DEPARTMENT: Utilities Department

SUBJECT: Motion to approve and authorize First and Final Amendment to Agreement with Hinterland Group, Inc. in the amount not to exceed \$400,000 to provide Sewer Pump and Lift Station Rehabilitation or Repair services by extending their contract until November 4, 2024.

CITY MANAGER RECOMMENDATION:

The City Manager recommends that the Commission approve and authorize First and Final Amendment to Agreement with Hinterland Group, Inc. (Contractor) in the amount not to exceed \$400,000 to provide Sewer Pump and Lift Station Rehabilitation or Repair services by extending their contract until November 4, 2024 with the same terms and conditions as before except for a price increase of 8.6% as identified in the Amended Attachment N to the First and Final Amendment to the Agreement (Amendment).

BACKGROUND OF ITEM:

On August 8, 2019, the City advertised its invitation to bidders, ITB 2019-12-UTL, of the City's desire to hire a firm to provide Sewer Pump and Lift Station Rehabilitation or Repair services. The bids were opened on September 18, 2019 and the Contractor was determined to be the lowest and most responsive bidder. An Agreement was entered into between the Contractor and City on November 6, 2019 for a three-year term with the option of one (1) renewal for two (2) years.

Section 1.8 of ITB 2019-12-UTL provides for price increase based on the Consumer Price Index (CPI). For FY 2023 budget, the City is proposing water and sewer rate increase of 8.6% based on CPI change between May 2021 and May 2022. Therefore, the City staff is recommending the Contractor's price be increased in the same percentage as the City's. A provision has been added in the Amendment that if the City Commission decides to increase the water and sewer rates less than 8.6% then the Contractor would be entitled to the same reduced percentage as the City.

The City staff is satisfied with the Contractor's performance and recommends renewal of the Original Agreement with same terms and conditions as before for two (2) additional years.

ANALYSIS:

N/A

STRATEGIC PLAN:

This project is an on-going rehabilitation work that falls under the City’s Strategic Plan of “Citywide Revitalization” whose goal is to maintain and improve the city’s infrastructure and appearance to support and ensure a sustainable and beautiful environment.

FISCAL IMPACT:

Hinterland’s Group, Inc. contract extension is within the \$400,000.00 budget for this work.

<u>General Ledger Acct. Number</u>	<u>Budgeted Amount</u>	<u>Requested Amount</u>	<u>Remaining Amount</u>
453-930-563610-535	\$400,000	\$400,000	0

ALTERNATIVES:

If the Agreement is not renewed or the price increase is not increased by the Contractor, the City will have to go out for bids. This will be a time-consuming exercise as there are 179 pay items on an as-needed basis with no guarantees that the prices would be any better in the prevailing market conditions. In the interim, the lift stations would continue to remain in disrepair with potential for failures.

ATTACHMENTS:

1. Original Agreement
2. First and Final Amendment to Agreement
3. Vendor Compliance

Workflow History 			
User	Task	Action	Date/Time
Allen, Tedra	NEW ITEM: Not Yet Routed	*FINANCIAL IMPACT: Forward to...	08/09/22 01:41 PM
Kendrick, Aaron	Assigned to Finance Director	COMPLETE: Forward to City Att...	08/12/22 03:45 PM
Horowitz, Jacob	Assigned to Attorney	COMPLETE: Forward to City Ma...	08/12/22 05:15 PM
Napoli, Joseph	Assigned to City Manager	COMPLETE: Forward to City Clerk	08/12/22 05:17 PM
Allen, Tedra	Assigned to City Clerk	APPROVE ITEM: End Workflow	08/12/22 05:47 PM
Allen, Tedra	END WORKFLOW - APPROVED		08/12/22 05:53 PM