



CITY COUNCIL CONSIDERATION ITEM

CITY OF FAIR OAKS RANCH, TEXAS

June 2, 2022

AGENDA TOPIC: Consideration and possible action authorizing the City Manager to sign a Construction Agreement with Udelhoven, Inc. for the Wastewater Treatment Plant Sludge Dewatering Project; and approval of the first reading of an Ordinance amending the budget in support of said project

DATE: June 2, 2022

DEPARTMENT: Public Works

PRESENTED BY: Clayton Hoelscher, Procurement Manager
 Grant Watanabe, P.E., Director of Public Works & Engineering Services

INTRODUCTION/BACKGROUND:

The City of Fair Oaks Ranch (the City) owns and operates a Wastewater Treatment Plant (WWTP) with a current permitted capacity of 0.5 million gallons per day (MGD). Although the plant has four (4) sludge drying beds, their use is labor intensive, they become less effective during winter and rainy weather, and they are the source of numerous nuisance odor and insect complaints due to close proximity with the surrounding neighborhood. The WWTP currently produces approximately 6,000 gallons per day (gpd) of liquid sludge, which is hauled to an offsite disposal facility at an annual cost of approximately \$300-350k , a significant portion of the utility annual operating budget. To help find a solution, several actions were taken over the past few years.

In April 2020, City Council approved a Professional Services Agreement with Murfee Engineering Co, Inc. to evaluate sludge management alternatives including various sludge processing equipment options. Their preliminary engineering report recommended a volute dewatering press be installed at our WWTP.

In April, 2021, City Council approved a Professional Services Agreement with Malone/Wheeler, Inc. for the design, permitting, bid and construction services for this project. Their contract also included a pilot study which successfully installed and tested a volute dewatering press at our WWTP.

Malone/Wheeler, Inc. recently completed all design documents and the City advertised an Invitation for Bids on April 13th. Bids were received on May 11th, 2022. In addition to the base bid, bidders were also asked to price two bid alternate items. Bid Alternate #1 was to provide a low-voltage (120V) electrical panel, rack structure and lighting for the dewatering press. Bid Alternate #2 was to provide a duplex sludge feed pump system to avoid wet hauling sludge in the future should the primary pump fail or be taken out of service for maintenance. City staff recommends inclusion of Bid Alternate #2 to increase system resiliency but not Bid Alternate #1 since the dewatering press is expected to be operated during working hours only. An electrical/lighting upgrade could be included in a future WWTP rehab or expansion project if needed. When considering the combined amount of the Base Bid and Bid Alternate #2, Udelhoven, Inc. was the lowest responsible bidder for this project. The following table summarizes the bids received:

Bidder	Base Bid	Bid Alt 1 (Electrical)	Bid Alt 2 (Duplex Pump)	Base + Bid Alt 2
Udelhoven, Inc.	\$997,925.43*	\$51,619.25	\$43,351.23	\$1,041,276.66
Associated Construction Partners, Ltd.	\$1,212,830.00	\$16,000.00	\$43,700.00	\$1,256,530.00
R.P. Constructors, Inc.	\$1,216,080.00	\$25,000.00	\$60,000.00	\$1,276,080.00
Shannon-Monk, Inc.	\$1,401,940.00	\$35,000.00	\$83,000.00	\$1,484,940.00

* Note this bid amount is slightly more than the amount shown on the contractor's pricing form included as Exhibit A of the draft Agreement. The discrepancy is likely due to rounding of the unit price by the contractor and does not result in a significant change (+\$1.50). In accordance with Instructions to Bidders provided during solicitation, if there are discrepancies between the unit and extended price, the unit price will prevail. The price shown here is based on the contractor's unit price and not extended price.

The City initially budgeted \$920,210 from the Wastewater Capital Fund (25-504-102) for this project this fiscal year, inclusive of construction and engineering services. The budget was reduced to \$868,279 to cover the cost of the WWTP Feasibility Study (separate contract). After accounting for design and bid phase expenditures, the current balance is \$780,775. A breakdown of the funds required is shown below:

- Construction Agreement \$1,041,276.66
- 5% Contingency \$52,063.83
- Engineering Services (Malone/Wheeler) \$34,797.93
- Engineering Support (GEC) \$4,360.00
- Total \$1,132,498.42

This project was originally considered to be funded by American Rescue Plan funds. Accordingly, additional funds in the amount of \$351,725 can be used to cover the cost of this construction agreement, 5% contingency and projected engineering costs. The budget amendment ordinance and supporting documents are attached as part of this agenda item.

POLICY ANALYSIS/BENEFIT(S) TO CITIZENS:

- Supports Strategic Action Plan items for Responsible Growth Management and Reliable and Sustainable Infrastructure (CIP# 4.1R).
- Eliminates approximately \$300-350k in annual wet sludge hauling costs, representing a return of investment of under 4 years.
- Eliminates use of sludge drying beds which are the source of most odor complaints
- Dewatering press equipment and shelter are relocatable and could be utilized at a new site depending on the outcome of the WWTP Study
- Complies with Competitive Procurement Requirements

LONGTERM FINANCIAL & BUDGETARY IMPACT:

This capital investment eliminates approximately \$300-350k in annual wet sludge hauling costs, representing a return of investment of under 4 years.

LEGAL ANALYSIS:

The Contractor will be required to sign and adhere to the City's Standard Construction Agreement prior to the commencement of work. A copy is attached.

RECOMMENDATION/PROPOSED MOTION:

I move to authorize the City Manager to sign a Construction Agreement with in the amount of \$1,041,276.66 with a 5% contingency in the amount of \$52,063.84, for a total value not to exceed \$1,093,340.50 and to approve the first reading of an Ordinance amending the FY21-22 Budget.