

Memorandum



CITY OF DALLAS

DATE October 17, 2014

TO Members of the Budget, Finance & Audit Committee: Jerry R. Allen (Chair), Jennifer S. Gates (Vice Chair), Tennell Atkins, Sheffie Kadane, Philip T. Kingston

SUBJECT Upcoming Agenda Items: Dallas Water Utilities

DWU currently lists three (3) major items on the October 22, 2014 consent agenda for City Council approval. The items are comprised of construction related projects and an agreement that have significant financial impact to the utility when considering the associated work or overall value of the contracts. We are seeking the Budget, Finance & Audit Committee's support for these items as they are presented to the full City Council for approval. Provided below are brief summaries for each of the items and associated costs.

Item #50 - This item is for authorization to enter into a new 30-year wholesale treated water contract, including a Reciprocal Water and/or Wastewater Agreement, with the City of Cedar Hill, Texas. The City of Cedar Hill is located within Dallas Water Utilities' service area and has been a customer since 1972. Cedar Hill desires to continue to purchase treated water from the City of Dallas under the terms of a standard wholesale treated water customer contract. The existing wholesale treated water contract also includes a Reciprocal Agreement for Water and/or Wastewater Services which provides for service to retail customers across corporate boundary lines on a temporary basis until facilities are extended by the city requiring the service. Dallas Water Utilities estimates annual revenues of \$3,146,686.

Item #52 – This item is for authorization to enter into a contract with Texas Roof Management, Inc., for roof maintenance and repair service at all Dallas Water Utilities owned buildings. Dallas Water Utilities owns 239 buildings with approximately 1.4 million square feet of roof systems that have an estimated replacement value of \$12M. Approval of this item will provide the means to have manufacturers' certified roofing specialists perform maintenance and repairs at all Dallas Water Utilities facilities. Maintaining roofs will extend the life of the roof system and the buildings, and will provide protection to various types of critical equipment, including motors, pumps, electrical instrumentation, and process controls. Ongoing roof maintenance ensures the continued reliable water and wastewater services that are provided to approximately 2.3 million customers in Dallas and its customer cities. This contract is a not to exceed amount of \$1,065,983.

Item #53 – This item is for authorization to amend a contract with CH2MHILL to provide construction management (CM) services for water quality improvement construction projects at the Elm Fork Water Treatment Plant, Bachman Water Treatment Plant, and for the relocation of 5,700 feet of 48-inch wastewater main via tunneling, just north of the Bachman Lake Dam. This involves management of approximately \$190M worth of construction contracts at the listed sites, including the current \$48M water quality improvements project at the Bachman Water Treatment Plant. **This CM contract was planned as a phased approach to match each fiscal year’s construction projects with the intent to supplement the original contract as needed to provide continued support for the projects.**

The CM group will provide planning and coordination services and acts as the City’s representative in managing various contractors working on the projects. Additionally, the CM group will both partner with and augment current City staff assigned to these projects. This ensures all construction work is accomplished in accordance with the project plans and specifications, in a manner that meets the operational objectives. CM services are necessary to efficiently schedule and stage complex, simultaneous construction activities with multiple contractors. Additional construction management services include schedule and budget evaluations, value engineering, constructability reviews, reviewing cost estimates and schedule of values, monitoring the quality of the construction work, documenting the materials, labor, and equipment used, negotiating change orders, and aiding in resolution of conflicts. This supplemental agreement is a not to exceed amount of \$3,963,775, which brings the total contract amount to \$7,575,425.

Please let me know if you need additional information.


Mark McDaniel
Assistant City Manager

c: Honorable Mayor and Members of City Council
A.C. Gonzalez, City Manager
Warren M.S. Ernst, City Attorney
Craig D. Kinton, City Auditor
Rosa A. Rios, City Secretary
Daniel F. Solis, Administrative Judge
Ryan S. Evans, First Assistant City Manager

Eric D. Campbell, Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
Joey Zapata, Assistant City Manager
Jeanne Chipperfield, Chief Financial Officer
Sana Syed, Public Information Officer
Elsa Cantu, Assistant to the City Manager