

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.**

ORDINANCE

AUTHORIZING A MEMORANDUM OF AGREEMENT (MOA) ESTABLISHING TERMS AND CONDITIONS BETWEEN SAN ANTONIO WATER SYSTEMS (SAWS) AND THE CITY OF SAN ANTONIO BY WHICH THE CITY OF SAN ANTONIO WILL BID THE ACQUISITION OF STREET PAVING SERVICES AND ALLOW THW BIDDER TO EXTEND THE UNIT BID PRICES TO SAWS FOR A ONE-YEAR TERM WITH THE OPTION TO RENEW THE AGREEMENT FOR UP TO FIVE ONE-YEAR EXTENSIONS UNDER THE SAME TERMS AND CONDITIONS AT THE CITY'S DISCRETION.

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WHEREAS, San Antonio Water System (SAWS), a public utility owned by the City of San Antonio, maintains more than 12,000 miles of water and sewer infrastructure currently serving 1.8 million customers throughout Bexar County. A Consent Decree with the U.S. Environmental Protection Agency has promoted an increase in the amount of rehabilitation and replacement to SAWS sewer infrastructure. SAWS plans to complete \$625 million of sewer infrastructure improvements reducing sewer spills. These improvements, in addition to their planned water system upgrades, will include approximately 70 miles of work; and

WHEREAS, the large volume of planned work will significantly impact the City's street network which is the responsibility of SAWS to restore. However, street paving is a very small portion of SAWS' projects as the majority of their work is to replace or rehabilitate pipe leading to unfavorable street paving contract pricing in comparison to what the City receives for the Street Maintenance Program (SMP); and

WHEREAS, this agreement will provide an avenue for SAWS to receive better unit pricing for their street paving portion of work thereby creating value for the ratepayers of San Antonio; and

WHEREAS, this ordinance authorizes a Memorandum of Agreement (MOA) establishing terms and conditions between San Antonio Water System (SAWS) and the City of San Antonio by which the City of San Antonio will bid the acquisition of street paving services and allow the bidder to extend the unit bid prices to SAWS. This agreement between SAWS and the City will be for one year with automatic options to extend five consecutive years unless parties determine it is not creating value; and

WHEREAS, under the terms of the agreement, the City shall request bidders to indicate in their bid response if they will extend the pricing for a particular bid to SAWS in the event the bidder is the successful vendor. SAWS' ability to contract is limited to whether the successful bidder agrees to extend its pricing and enter into a contract with SAWS. SAWS shall not enter into a

separate contract with a non-successful bidder for a particular solicitation solicited under this agreement; and

WHEREAS this agreement will provide an avenue for SAWS to receive better unit pricing for their street paving portion of work thereby creating value for the ratepayers of San Antonio. The agreement will be presented to SAWS Board on November 5, 2019 for their consideration; **NOW THEREFORE,**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager and designee, severally, are directed execute the Memorandum of Agreement (MOA) establishing terms and conditions between San Antonio Water System (SAWS) and the City of San Antonio by which the City of San Antonio will bid the acquisition of street paving services and allow the bidder to extend the unit bid prices to SAWS summarized in **Attachment A**. This agreement will be for a one-year term with the option to renew the agreement for up to five one-year extensions under the same terms and conditions at the City's discretion.

SECTION 2. There is no fiscal impact associated with this agreement.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance becomes effective 10 days after passage, unless it receives the eight votes requisite to immediate effectiveness under San Antonio Municipal Code § 1-15, in which case it becomes effective immediately.

PASSED AND APPROVED this _____ day of _____, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

Attachment A

DRAFT