



City of San Antonio

Agenda Memorandum

File Number: 19-7268

Agenda Item Number: 29.

Agenda Date: 11/14/2019

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Razi Hosseini, P.E., R.P.L.S

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Memorandum of Agreement (MOA): San Antonio Water System (SAWS) Street Paving Services

SUMMARY:

An ordinance authorizing 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 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.

BACKGROUND INFORMATION:

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.

The large volume of planned work will significantly impact the City's street network in 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).

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.

ISSUE:

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.

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.

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 was approved by the SAWS Board on November 5, 2019.

ALTERNATIVES:

City Council could choose not to approve this ordinance, however, this would not allow SAWS' access to lower bid prices the City receives for street pavement. SAWS would then continue to pay a premium for the contracted service.

FISCAL IMPACT:

There is no fiscal impact associated with this agreement.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing 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 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.