

ACTION SHEET
PUBLIC UTILITES COMMITTEE MEETING OF 6/4/14

ISSUE NO. 16

Request for approval of Amendment No. 2 to the agreement with Sub Surface for the City Wide Utility Construction and Repair Projects – CIP # 3044 for the amount of \$811,463.74 exclusive of NMGR.T. (Alex Puglisi)

Public Utilities Committee – 6/4/14
 Finance Committee – 6/16/14
 City Council – 6/25/14

PUBLIC UTILITES COMMITTEE ACTION : Approved to forward to 6/16/14 Finance Committee.

SPECIAL CONDITIONS OR AMENDMENTS:

STAFF FOLLOW UP:

VOTE:	FOR	AGAINST	ABSTAIN
COUNCILOR RIVERA, CHAIR	X		
COUNCILOR MAESTAS	Absent		
COUNCILOR BUSHEE		X	
COUNCILOR DIMAS	Absent		
COUNCILOR IVES	X		

City of Santa Fe, New Mexico

memo

DATE: May 14, 2014
TO: PUC Committee/ Finance
VIA: Nick A. Schiavo, Interim Public Utilities Department and Water Division Director ^{NS}
FROM: Alex A Puglisi, SOS Section Manager *Alex Puglisi*
Michael R. Moya, T&D Section Manager *MRM*
Bill Huey, Water Division Engineer *BH*

ITEM AND ISSUE:

Request approval of Amendment #2 with Sub Surface Contracting, Inc. to increase the amount of not to exceed compensation by eight-hundred eleven thousand, four hundred-sixty three dollars and seventy-four cents (\$811,463.74) plus tax to allow for continuation of much needed repair work on the Buckman Pipeline and routine water line replacements, and emergency repairs throughout the City until June 30, 2015.

BACKGROUND AND SUMMARY:

In July 31, 2013, Bid # '13/37/B was awarded by City Council to Sub Surface Contracting, Inc. (Sub Surface). The City Wide Water Utility Construction Contract is a requirements contract with the Water Division issuing work orders as needed for work such as water line replacements, and emergency repairs. The contract is funded with \$250,000 from Transmission and Distribution for work on their infrastructure and with \$150,000 from Source of Supply for work on their infrastructure. Therefore the initial Contract amount is limited to \$400,000.00 plus NMGRT per year.

The Water Division become aware of the need to replace the tapping saddles on eighty-two (82) of the ninety-four (94) air relief valves (ARV)s on the Buckman Pipeline when one of the ARVs failed in July 2013. The Water Division has replaced thirty-four (34) of the ARVs in the most critical stretch of the pipeline this FY. Cost to do the remainder of the replacement work is estimated to be approximately \$411,463.74.

This amendment will also extend the contract to the end of the next fiscal year.

Funding for this work will be available upon Council approval of the FY 14/15 Budget in Line Extensions Mains and Services BU/LI 52305.572970 in the amount of \$811,463.74 plus NMGRT.

ACTION REQUESTED:

Staff requests review and approval of:

- Amendment No. 2 with Sub Surface in the amount of \$811,463.74 plus NMGRT.
- Forwarding and recommendation of approval amendment # 2 to the Finance Committee on June 16th for their consideration and approval and to the Governing Body on June 25th for their final consideration and approval.

**CITY OF SANTA FE
AMENDMENT No. 2 TO
CONSTRUCTION AGREEMENT**

AMENDMENT No. 2 (the "Amendment") to the CITY OF SANTA FE CONSTRUCTION AGREEMENT, dated 7/31/13 (the "Agreement"), between the City of Santa Fe (the "City") and Sub Surface Contracting, Inc. (the "Contractor"). The date of this Amendment shall be the date when it is executed by the City and the Contractor, whichever occurs last.

RECITALS

A. Under the terms of the Agreement, Contractor has agreed to provide Construction Services for the City Wide Utility Construction and Repair Projects CIP #3044 for the City of Santa Fe.

B. Pursuant to Article 9.21 of the Agreement, and for good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the City and the Contractor agree as follows:

1. COMPENSATION.

A. Article 4 paragraph 4.1 of the Agreement is amended to increase the amount of compensation by a total of eight hundred eleven thousand four hundred sixty three dollars and 74 (\$811,463.74) and the gross receipts tax (GRT) amount by a total of sixty six thousand four hundred thirty eight thousand and 59/100's (\$66,438.59), so that Article 4 paragraph 4.1 reads in its entirety as follows:

4.1 The Owner shall pay the Contractor in current funds for the performance of each Work Order at the fixed unit prices set forth in Exhibit I, subject to additions and

deductions by Change Order as provided in the Contract Documents, up to the Contract Sum of one million six hundred twenty two thousand nine hundred twenty seven dollars and 48/100's (\$1,622,927.48). The Contractor agrees that if it ever receives a partial or total refund of Gross Receipt Taxes (GRT) it will transmit the refund to the City immediately. The GRT amount of one hundred thirty two thousand eight hundred seventy seven and 18/100's (\$132,877.18) is 8.1875% of Base Bid and is being paid by the Owner to the Contractor so that the Contractor can pay the GRT to the New Mexico Taxation and Revenue Department (NMTRD). It is not compensation for services rendered. The Contractor agrees to timely remit this GRT to NMTRD.

2. TERM.

Article 2 of the Agreement is amended to extend the term of the Agreement, so that Article 2 reads in its entirety as follows:

This Agreement shall terminate on June 30, 2015.

3. AGREEMENT IN FULL FORCE.

Except as specifically provided in this Amendment, the Agreement remains and shall remain in full force and effect, in accordance with its terms.

IN WITNESS WHEREOF, the parties have executed this Amendment No.2 to the City of Santa Fe Construction Agreement as of the dates set forth below.

CITY OF SANTA FE:

CONTRACTOR:
SUB SURFACE CONTRACTING

JAVIER M. GONZALES, MAYOR

NAME & TITLE

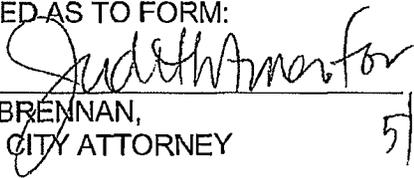
Date: _____

Date: _____

ATTEST:

YOLANDA Y. VIGIL, CITY CLERK

APPROVED AS TO FORM:



KELLEY BRENNAN,
INTERIM CITY ATTORNEY

5/12/14

APPROVED:

MARCOS A. TAPIA, FINANCE DIRECTOR

52305.572970
Business Unit/Line Item



**City of Santa Fe
Summary of Contracts, Agreements, & Amendments**

Section to be completed by department for each contract or contract amendment

1 **FOR:** ORIGINAL CONTRACT or CONTRACT AMENDMENT

2 Name of Contractor Sub Surface Contracting Inc.

3 Complete information requested Plus GRT
 Inclusive of GRT

Original Contract Amount: \$400,000.00

Termination Date: June 30, 2014

Approved by Council Date: July 31, 2013

or by City Manager Date: _____

Contract is for: City Wide Utility Repair

Amendment # 2 to the Original Contract# 130768

Increase/(Decrease) Amount \$ 811463.74

Extend Termination Date to: NA

Approved by Council Date: Pending

or by City Manager Date: _____

Amendment is for: Increase compensation and term for City Wide and Air Valves

4 **History of Contract & Amendments:** (option: attach spreadsheet if multiple amendments) Plus GRT
 Inclusive of GRT

Amount \$ 400,000.00 of original Contract# 130768 Termination Date: 06/30/2014

Reason: _____

Amount \$ 411,463.74 amendment # 1 Termination Date: na

Reason: air valve increase comp

Amount \$ 811,463.74 amendment # 2 Termination Date: 06/30/2015

Reason: Increase compensation and term for City Wide and Air Valves

Amount \$ _____ amendment # _____ Termination Date: _____

Reason: _____

Total of Original Contract plus all amendments: \$ 1,622,927



City of Santa Fe
Summary of Contracts, Agreements, & Amendments

5 Procurement Method of Original Contract: (complete one of the lines)

RFP# _____ Date: _____

RFQ [checked] 1337b _____ Date: June 17, 2013

Sole Source [unchecked] _____ Date: _____

Other _____

6 Procurement History: Year 1 of 4
example: (First year of 4 year contract)

7 Funding Source: water cip BU/Line Item: 52305

8 Any out-of-the ordinary or unusual issues or concerns:
none
(Memo may be attached to explain detail.)

9 Staff Contact who completed this form: Maya Martinez

Phone # 955-4271

10 Certificate of Insurance attached. (if original Contract) [unchecked]

Submit to City Attorney for review/signature

Forward to Finance Director for review/signature
Return to originating Department for Committee(s) review or forward to City Manager for review
and approval (depending on dollar level).

To be recorded by City Clerk:

Contract # _____

Date of contract Executed (i.e., signed by all parties): _____

Note: If further information needs to be included, attach a separate memo.

Comments:

[Large empty rectangular box for comments]

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