



Legislation Text

File #: 21-1878, **Version:** 1

STRATEGIC PRIORITY: Mobility Solutions, Infrastructure, and Sustainability

AGENDA DATE: October 27, 2021

COUNCIL DISTRICT(S): Outside City Limits

DEPARTMENT: Water Utilities Department

EXECUTIVE: Majed Al-Ghafry

SUBJECT

Authorize the rejection of bids received for the Elm Fork Water Treatment Plant Filter Complex Project - Financing: No cost consideration to the City

BACKGROUND

The Elm Fork Water Treatment Plant located in Carrollton, Texas was originally constructed in the 1950s and is the second largest of three water treatment plants serving Dallas Water Utilities (DWU) customers. In 2006, DWU commissioned a Water Quality Study that included the evaluation of finished water quality at each of its three water treatment plants. The recommendations included the implementation of biologically active filtration at each plant. DWU has successfully executed the implementation of these water quality improvements at the East Side and Bachman Water Treatment Plants and is working to implement improvements at the Elm Fork Water Treatment Plant. The next step includes the construction of a new Filter Complex to convert treatment operations, address hydraulic limitations, and upgrade existing infrastructure at the end of its useful life.

On July 9, 2021, two bids were received for the Filter Complex Project. After reviewing the bids, it was determined that they were significantly higher than the engineer's estimate and the available project budget of \$130 million. The lowest bid was just over \$237 Million. The high costs were found to be influenced by current shortages in labor and materials, limited contractor competition in the North Texas market for the scope and scale of the project, and the risks associated with pricing volatility of raw materials given the multi-year project schedule.

In the best interest of the City of Dallas, DWU and the engineer for the project recommend the rejection of bids received and the re-advertisement of the project at a later date. The project will be repackaged and broken into phases in an effort to receive more bids and better prices. The first phase is being planned and is scheduled to be advertised for construction bids in spring 2022.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

This item has no prior action.

FISCAL INFORMATION

No cost consideration to the City.