



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. MUA16-039**

1. Agenda Item Number:

23

2. Council Meeting Date:
November 19, 2015

TO: MAYOR AND COUNCIL

3. Date Prepared: November 2, 2015

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Amendment No. 2 to Contract No. MU5-913-3446 for the Maintenance and Repair of the Ocotillo Brine Reduction Facility

6. RECOMMENDATION: Staff recommends City Council approve Amendment No. 2 to Contract No. MU5-913-3446, with Sundt Construction, Inc., for maintenance and repair of the Ocotillo Brine Reduction Facility, in an amount not to exceed \$1,000,000.

7. BACKGROUND/DISCUSSION: Sundt Construction, Inc., was under contract with Intel for the expansion of the Ocotillo Brine Reduction Facility (OBRF), formerly known as the Reverse Osmosis Facility. Sundt Construction, Inc., coordinated the installation of specialized processes and equipment during the expansion project. To maintain warranty compliance on this equipment, Sundt Construction, Inc., was contracted to continue the maintenance and repair of this specialized equipment at the facility.

Additional funding is being requested by Intel to replace filter media, filter heads, and under-drains, as well as process modifications in order to treat a new industrial water source being added to the existing treatment process.

The cost of this amendment has been approved and will be reimbursed entirely by Intel.

8. EVALUATION PROCESS: On December 11, 2014, Council approved an agreement with Sundt Construction, Inc., for the maintenance and repair of the OBRF, in an amount not to exceed \$250,000, for a one-year term, with the option of four (4) additional one-year extensions. On May 28, 2015, Council approved the first extension through December 11, 2016, with additional funding of \$500,000. Since that approval, additional unforeseen issues have arisen that require additional funding of \$1,000,000 for the remainder of the contract term.

9. FINANCIAL IMPLICATIONS:

Cost: \$1,000,000 (To be reimbursed by Intel)
Savings: N/A
Long Term Costs: N/A

Fund Source:

<u>Account No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
616.3930.5219.0	Wastewater Industrial Process	Other Professional/Contract Services	No	\$1,000,000

10. PROPOSED MOTION: Move City Council approve Amendment No. 2 to Contract No. MU5-913-3446, with Sundt Construction, Inc., for maintenance and repair of the Ocotillo Brine Reduction Facility, in an amount not to exceed \$1,000,000.

Attachments: Amendment

APPROVALS

11. Requesting Department



Kim Neill, Utility Operations Manager

13. Department Head



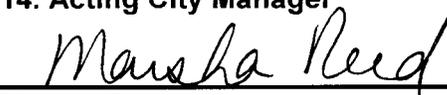
Gregg Capps, Acting Municipal Utilities Director

12. Procurement Officer



Mike Mandt, CPPB

14. Acting City Manager



Marsha Reed

NOA H

AMENDMENT NUMBER TWO
TO CONTRACT BETWEEN THE CITY OF CHANDLER
AND
SUNDT CONSTRUCTION, INC.
FOR
OCOTILLO BRINE REDUCTION FACILITY MAINTENANCE AND REPAIR
CONTRACT NO. MU5-913-3446

This Amendment No. Two to that certain Contract between the City of Chandler (City) and Sundt Construction Inc. (Contractor) for Ocotillo Brine Reduction Facility Maintenance and Repair dated December 12, 2014 (the AGREEMENT) is entered into this 12th day of November, 2015.

WHEREAS, the parties entered into the AGREEMENT on December 12, 2014, for one year with provisions to up to four additional one year periods;

WHEREAS, AMENDMENT NUMBER ONE to the AGREEMENT dated June 9, 2015 extended for the first extension through December 11, 2016 and in a Council Memo authorized an additional \$500,000 for the performance of the AGREEMENT in the first term;

WHEREAS, the City estimates that an additional \$1,000,000 will be required for the remainder of the original term and first extension.

NOW THEREFORE, the parties agree as follows:

1. Contractor and City ratify that it was the intention of the parties that an additional Five Hundred Thousand Dollars (\$500,000) be added to the Agreement on June 9, 2015, and the City did in fact add this amount for the performance of the Agreement in the first term.
2. Section 4.1 Price, is hereby amended to add \$1,000,000 in addition to the \$500,000 added on June 9, 2015. The additional One Million Dollars (\$1,000,000) will be used to fund the remaining portion of the first term of the AGREEMENT and to fund the extension of the Agreement to December 11, 2016 as authorized in Amendment Number One to the AGREEMENT.
3. All other terms and conditions of the above referenced Contract shall remain unchanged and in full force and effect. All terms and conditions in the original Contract not specifically amended herein shall be incorporated by reference in its entirety and shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this _____ day of _____, 2015.

CITY OF CHANDLER:

By: _____
Mayor

APPROVED AS TO FORM:

City Attorney *[Signature]*

ATTEST:

City Clerk

CONTRACTOR:

By: *[Signature]*
Title: Sr. VICE PRESIDENT

ATTEST. (If corporation)
[Signature]
Secretary

WITNESS: (If individual or Partnership)

[SEAL]