

Memorandum



DATE September 5, 2008

TO Transportation and Environment Committee:
Linda Koop, Chair; Sheffie Kadane, Vice Chair; Jerry R. Allen, Carolyn R. Davis, Vonciel Jones Hill, Angela Hunt, Pauline Medrano, Ron Natinsky

SUBJECT Item Nos. 53 and 54 on the September 10, 2008 Council Agenda

The Water Utilities Department currently has agenda items 53 and 54 on the September 10, 2008 agenda that are related to our Eastside Treatment Plant expansion. Due to the large cost associated with the projects, we are providing this briefing memo to provide details regarding the two projects. Both projects amount to a total of \$97,523,439.

Item #53 – This item is for the approval of the East Side Water Treatment Plant expansion to 540 million gallons per day - Part B, Clearwells and Flumes - The East Side Water Treatment Plant was originally constructed in the 1960s as a 100 million gallons per day water treatment plant. Major expansions in the 1970s, early 1980s, and 1990s have increased the capacity to 440 million gallons per day. Currently, the East Side Water Treatment Plant supplies approximately half of the treated water delivered to City of Dallas customers and customer cities. The multi-phase expansion of the East Side Water Treatment Plant will include expansion of the treatment capacity to 540 million gallons per day, as well as required storage and pumping improvements to accommodate expansion. The expansion is necessary to meet supply demands projected by the City of Dallas Long Range Water Supply Plan update, recently adopted by Council, and to utilize the soon to be completed connection to the Lake Fork raw water supply.

Additionally, the Water Utilities Department has submitted an application to the Texas Water Development Board for low-interest loans under the Water Infrastructure Fund (WIF) program to fund the project in its entirety. TWDB staff has reviewed our application and provided a favorable recommendation for their board's approval. Their board will meet on October 28, 2008 to officially approve their staff's recommendation. The City's agenda item currently shows the project to be initially funded with capital improvement funds with provisions to be reimbursed with the TWDB funding as it becomes available. Oscar Renda, Inc is the lowest bidder of three - \$94,723,750.

Item No. 54 - This item is for the approval of a professional services contract with Jacobs Engineering Group, Inc. for providing continued construction management services related to the East Side Water Treatment Plant and the Bachman Water Treatment Plant expansions. This contract will provide construction management services for approximately \$225,000,000 of planned related construction between now and FY 2012/2013. It is necessary to augment City staff to manage the complexity and restricted site conditions that exist during on-going, multi-phased expansions while assuring continuous production of drinking water for customers. Previous use of construction management services at the Bachman Water Treatment Plant resulted in cost avoidance and cost savings of approximately \$8,000,000. Approximately \$2,000,000 has already been realized at the East Side Plant, via construction management services to date. This professional services contract is for an award amount of \$2,799,689.

Please contact me if you have any questions.



Ramon F. Miguez, P.E.
Assistant City Manager

- c: The Honorable Mayor and Members of the City Council
Mary K. Suhm, City Manager
Thomas P. Perkins Jr., City Attorney
Deborah Watkins, City Secretary
Craig Kinton, City Auditor
Judge C. Victor Lander, Judiciary
Ryan S. Evans, First Assistant City Manager
Jill A. Jordan, P.E., Assistant City Manager
A.C. Gonzalez, Assistant City Manager
David O. Brown, Interim Assistant City Manager
David Cook, Chief Financial Officer
Jeanne Chipperfield, Director, Office of Financial Services
Jody Puckett, P.E., Director, Dallas Water Utilities
Helena Stevens-Thompson, Assistant to the City Manager, Council Office