

Council Meeting Staff Report

September 19, 2018

Agenda No.:	6.C
Indexes (Council Goals):	BCC - N/A
Presenters:	Jack Richardson
Legislative File:	AGR17-914

Title

Approval of Amendment No. 1 to Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$300,000.00 and Task Order No. 02 in the amount of \$66,254.50, Plus Applicable Gross Receipts Tax, For the Purpose of Inspection, Repair, and Ancillary Services on County Well and Booster Pumps.

Recommended Action

I move that the Board of Public Utilities approve Amendment No. 1 to Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$300,000.00, for a revised total agreement amount of \$450,114.00, plus applicable gross receipts tax, for the purpose of Inspection, Repair, and Ancillary Services on County Well and Booster Pumps, and forward to Council for approval. I further move that the Board of Public Utilities approve Task Order No. 02 under AGR17-914, in the amount of \$66,254.50, plus applicable gross receipts tax, pending Council approval of Amendment No. 1 to AGR17-914.

Staff Recommendation

Staff recommends approval of the agreement per the motion as presented.

Body

The DPU is occasionally in need of services for inspection, repair and ancillary activities for our well and booster station pumps. The Water Production budget includes funds to cover typical estimated costs for these types of services. Some years no work is required on any of our major facility pumps or motors. Some years multiple facilities require servicing. The original Agreement was for a four year period (October 2016 through October 2020). The original Agreement compensation was for a total of \$150,114.00. A single well pump repair project in FY2018 for Pajarito Well # 4 totaled \$138,935.70. Based on typical costs for a typical Los Alamos County well pump repair project, The Department of Public Utilities projects that planning for an annual cost for pump repair projects of \$150,000 per year for the remaining two years of this contract is appropriate and will be sufficient to enable us to move quickly whenever any additional well pump projects are required.

This year, so far, the pump in Gualle Well # 3A has failed. We need to pull this pump, troubleshoot it, repair it and return it to service. The pumps in the Guaje well field are all now 20 years old and are the youngest well pumps in the system as a group. Alpha Southwest has a good history of providing these services to the DPU. The estimate from Alpha Southwest for this GW-3A pump repair project is \$66,254.50 as shown in the cost estimate of Task Order No. 02. Hopefully this will be the only well pump requiring pulling and repair services this year. However, the majority of our existing well pumps are 20 years old or older and so with each additional year the possibility of well pump repair costs increase.

Our water production well system has enough source capacity to maintain adequate service to our customers during this temporary GW-3A well outage. Water demand versus supply throughout the system has been adequate such that no water volume problems have, or are likely to, occur this year.

The proposed agreement between Alpha Southwest and the DPU is a piggybacking off of the Albuquerque/Bernalillo County Water Utility Authority Contract # RFP 2013000021. This contract between ABCWUA and Alpha Southwest is for the same services as required by the DPU. This ABCWUA contract was competitively bid through the public procurement process when it was established. In utilizing this piggyback approach the DPU saves time and administrative effort while securing good prices for these services.

Alternatives

The alternative approach to amending the Agreement with additional funds, beyond those required for Task Order No 02, for the remainder of the original contract period would be to bring back individual Agreement amendments along with additional task orders at the time of well pump failure. The alternative to not approving this amendment and Task Order No 02 is to leave well GW-3A inoperable.

Fiscal and Staff Impact

Original Agreement amount of \$150,114.00 to be increased by \$300,000.00 for a revised total Agreement compensation amount of \$450,114.00. FY2018 expenditure, and total expenditure to date, is \$138,935.70. Estimated amount for GW-3A well pump is \$66,254.50 leaving \$244,923.80 remaining in the contract for services on other pumps between now and October 2020.

Attachments

A - Amendment No 1 to AGR17-914

B - Task Order No 02 Under AGR17-914