

Council Meeting Staff Report

September 15, 2021

Agenda No.: 6.E.
Indexes (Council Goals):
Presenters: Jack Richardson
Legislative File: AGR0784 -21

Title

Approval of Amendment No. 2 to Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$649,886.00 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. 2 to Services Agreement No. AGR17-914 with Alpha Southwest, Inc. in the amount of \$649,886.00, for a revised total agreement amount of \$1,100,000.00, plus applicable gross receipts tax, and to extend the contract term two years for the purpose of Inspection, Repair, and Ancillary Services on County Well and Booster Pumps, and forward to Council for approval.

Staff Recommendation

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

Body

The DPU has, over the past four years, been consistently in need of the maintenance activities provided by this agreement with Alpha Southwest: pulling a deep well turbine pump out of the well and inspecting the well and pump equipment to see if any repairs and/or replacement of equipment is necessary. Sometimes the well itself needs servicing by chemical cleaning and agitation and usually the well pump requires repair or replacement. The DPU's wells are long term investments. The financial useful life of a well station (well + pump and control equipment) is estimated at 50 years, however, with good O&M practices a well can provide useful service well beyond that life span. The average age of the 12 existing well stations in the DPU system is 34 with the three oldest well stations being 55/56 years in the ground. The original contract amount (\$150,114) only covered a single well pump pull that had already been scheduled. Amendment No. 1 added \$300,000 (total \$450,114) to the contract amount and this amount has been spent down over the past few years to where the remaining funds in the contract would not cover pulling and refurbishing the pump from even our shallowest well station. Amendment No. 2 adds \$649,886.00 (total \$1,100,000) to the contract amount. \$300,000 of the Amendment No. 2 amount is programmed for well station O&M based on pump failure of some type - approximately one well station each year. The other \$349,886 being added to the contract amount is for well station O&M that would possibly be completed coincident with the Water Production Well & Booster Station Control Upgrade (MCC) Project that is being initiated in FY 2022. The thinking is that if one of our older well stations is proposed to receive a control system upgrade then perhaps simultaneously pulling the well pump and inspecting the well and pump equipment would be the appropriate course of action. Approaching the control upgrade project in this manner would ensure that funds spent on new controls would be matched with a well and pump system that would provide DPU an extended period of trouble free service on into the future.

The Water Production budget includes funds to cover typical 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 total Amendment No. 2 contract amount of \$1,100,000.000 would only be

expended if two more wells failed in the next two years plus DPU decided to expend all of the funds coincident with the MCC Upgrade project. If all goes well this total contract amount will not be required. The original Agreement was for a four year period (October 2016 through October 2020). Amendment No. 1 extended the contract through October 2021. Amendment No. 2 extends the contract for an additional two years until October 2023. If all contract funds were to be expended the average annual expenditure over the 7-year life of the agreement would be \$157,143 which is the approximate cost of pulling a single deep well turbine pump for well and pump equipment O&M.

Our water production well system has provided excellent source water for many years with limited major O&M activities to date (major O&M activities defined as well pump pulling and repair/replacement). Many of our oldest well pumps have never been pulled and serviced. With the upcoming addition of Otowi Well No. 2 and the start up and use of Otowi Well No. 1 both coming on line in the next two years, and with the well station control upgrade project starting, adding the appropriate amount of well and well pump equipment inspection and O&M work to this effort will set the DPU up for another lengthy period of well station production requiring limited major O&M activities.

The proposed agreement between Alpha Southwest and the DPU is a piggybacking off of an existing Albuquerque/Bernalillo County Water Utility Authority Contract. 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 saved time and administrative effort while securing good prices for these services.

Alternatives

The alternative approach to amending the Agreement with additional funds and two additional years of the original contract period would be to bring individual agreements at the time of well pump failure or during the MCC Upgrade project, however, time to procure these individual services would delay the needed repairs.

Fiscal and Staff Impact

Original Agreement amount of \$150,114.00, amended to \$450,114, now being increased by \$649,886.00 for a revised total Agreement compensation amount of \$1,100,000.00. Amended contract expiration date will be 19 October 2023.

Attachments

A - AGR17-914 - A2 Alpha Southwest_FINAL