



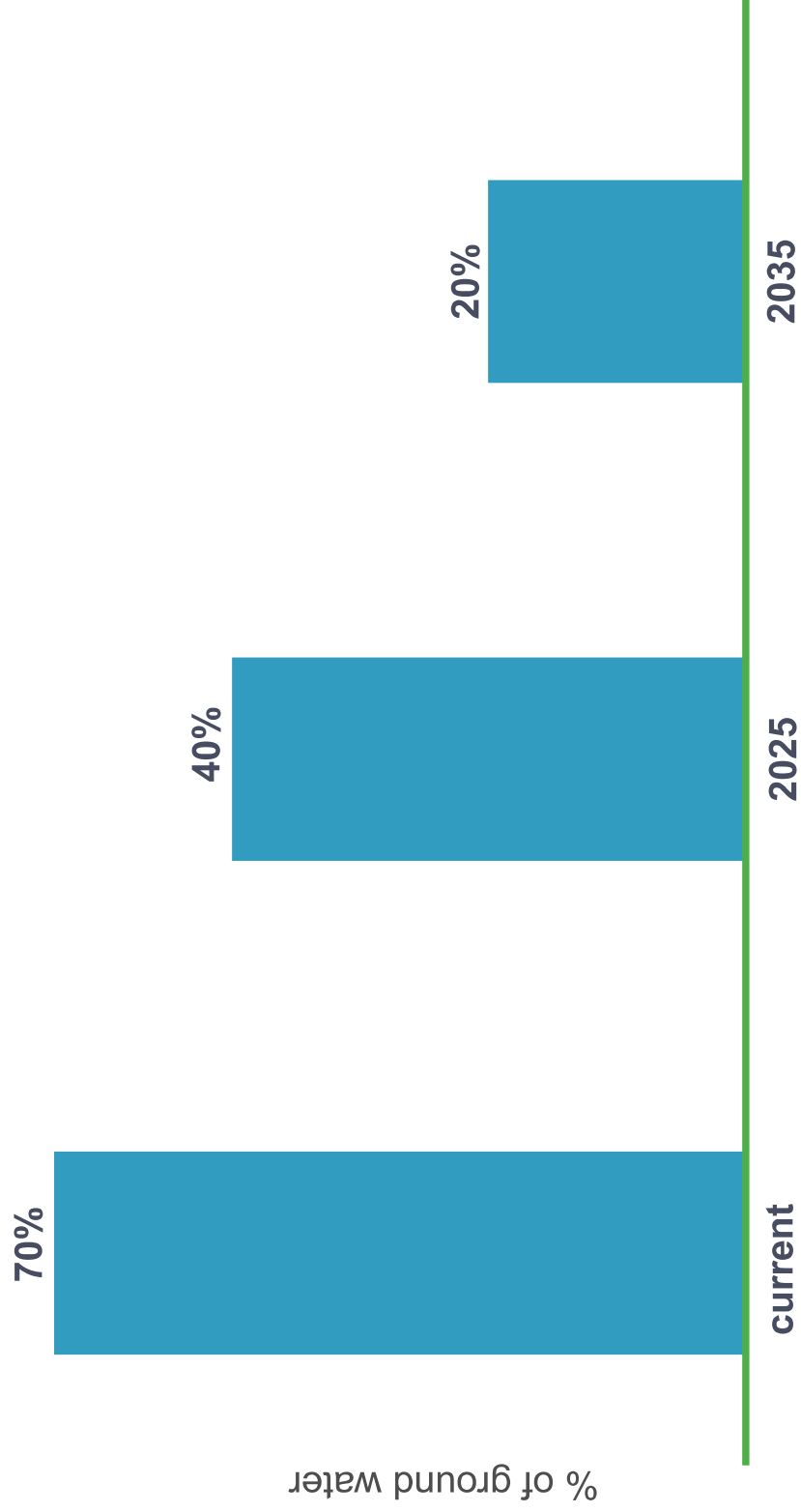
WATER PURIFICATION PLANT EXPANSION

Guaranteed Maximum Price 1ST Scheduled Additional Appropriation

Transportation, Technology & Infrastructure Committee
November 5, 2020

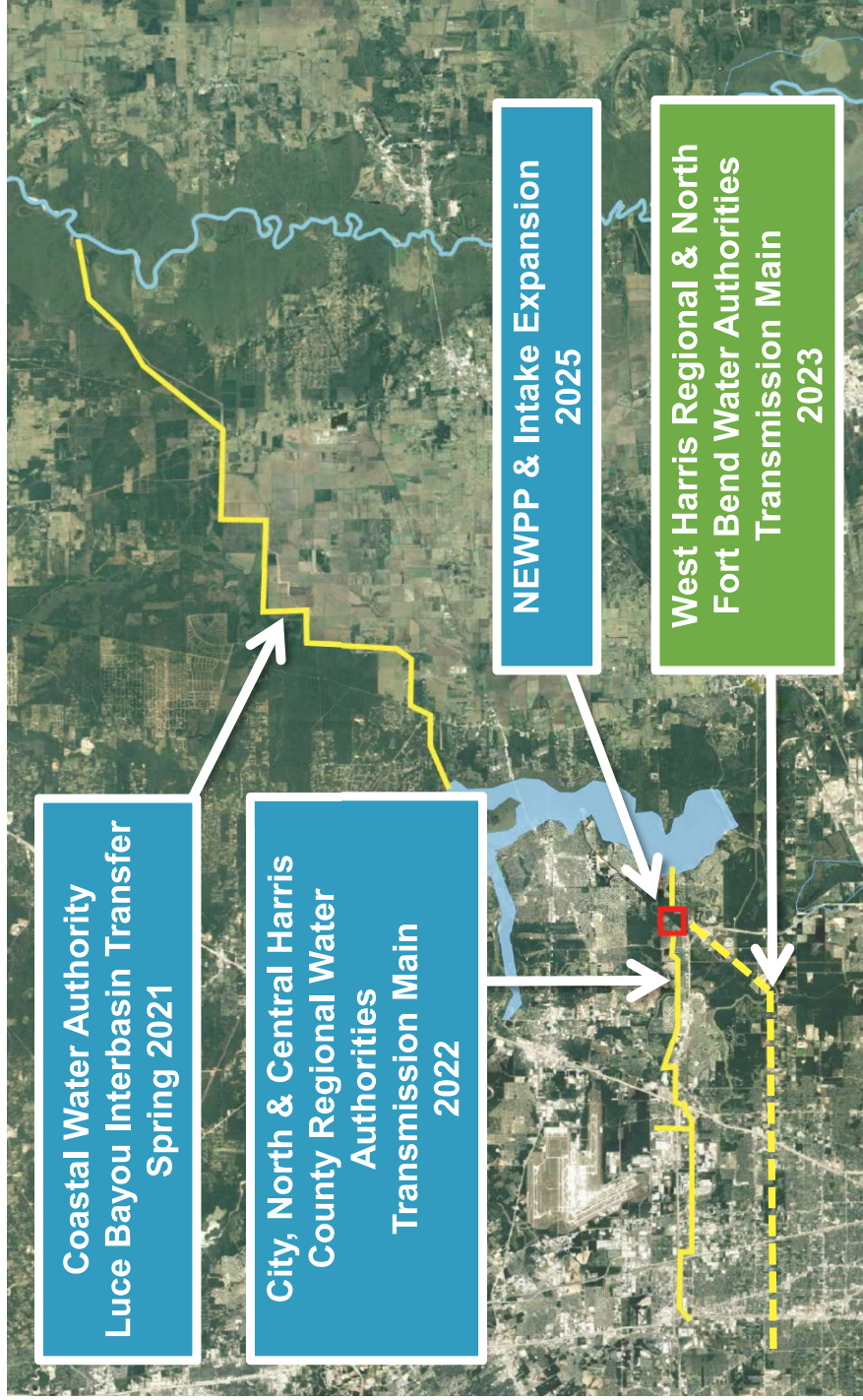


MAXIMUM GROUNDWATER USE



this requirement pertains to the Area 3 of the Harris Galveston Subsidence District and Area A of the Fort Bend Subsidence District

INTEGRATED SOLUTION



LEGEND

projects with city participation

project by others

NORTHEAST WATER PURIFICATION PLANT

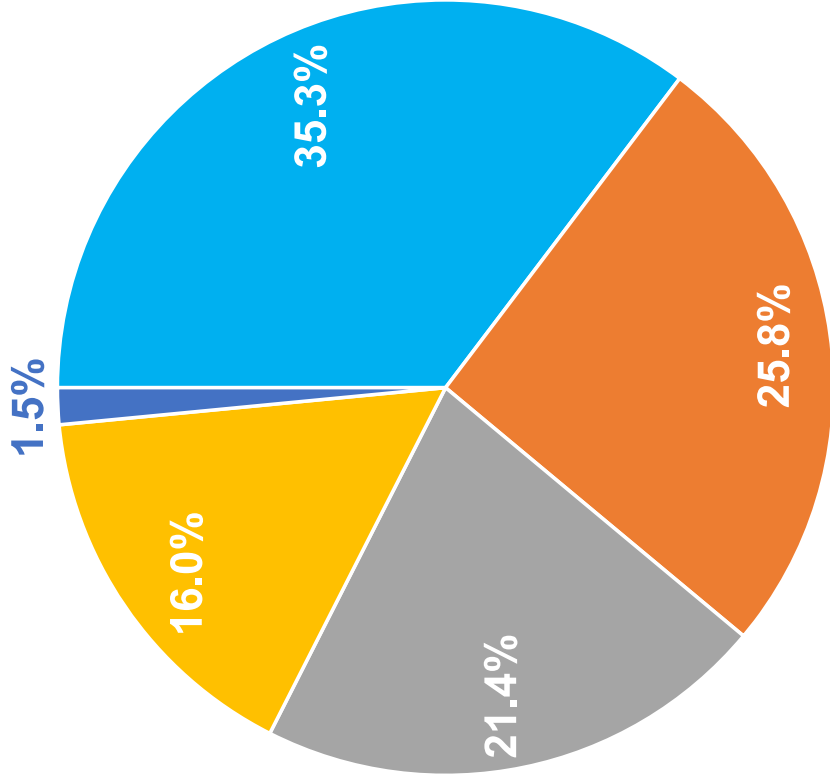


Treatment Facilities

* new facilities shown are renderings of the completed project



PLANT COST & CAPACITY PARTNERS



- North Harris County Regional Water Authority
- West Harris County Regional Water Authority
- North Fort Bend Water Authority
- City of Houston
- Central Harris County Regional Water Authority

GUARANTEED MAXIMUM PRICE (GMP)

AS APPROVED BY COUNCIL JULY 2019

GUARANTEED MAXIMUM PRICE (GMP)

- Progressive Design-Build Method of Delivery
- Single Entity Responsible for Design and Construction
- City Contracted with Houston Waterworks Team (HWT) in December 2015
- Amendment 8 Approved by Council in July 2019
 - Established GMP and Scheduled three Appropriations including Dollar amounts
 - First appropriation was part of Amendment 8
 - Two Scheduled Additional appropriations in December 2020 and December 2021
- Upcoming is the first of the scheduled additional appropriations

AS APPROVED BY COUNCIL JULY 2019

KEY PROVISIONS OF DESIGN-BUILD GMP

- plant expansion construction
- permitting
- construction supervision
- material testing / quality control
- inspection
- integration
- plant start-up
- final acceptance

GMP PRICE BREAKDOWN

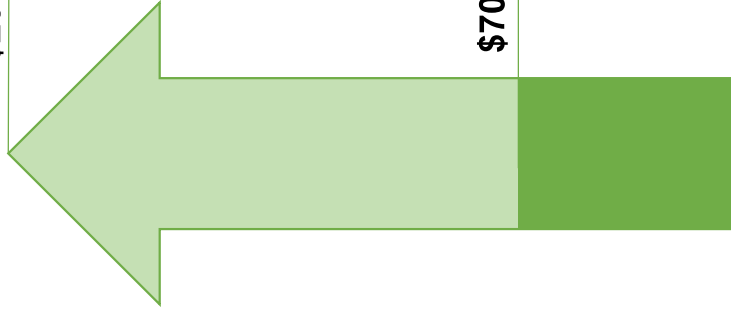
task	Amount
Design ⁽¹⁾	\$174,225,383
construction ⁽¹⁾	\$1,120,085,461
construction management ⁽¹⁾	\$108,685,635
inspection / testing ⁽¹⁾	\$49,193,630
major equipment	\$83,843,499
design-build fee / contingency	\$180,049,719
performance bonds / payment bonds	\$49,449,507
guaranteed max price total	\$1,765,532,834

⁽¹⁾ eligible for MWSBE participation (\$1.452B)

MWSBE PROGRESS TO DATE

\$238.4M (13.5% of \$1.765B)

Goal



\$70.1M (14.28% of \$490.8M Paid)

Actual

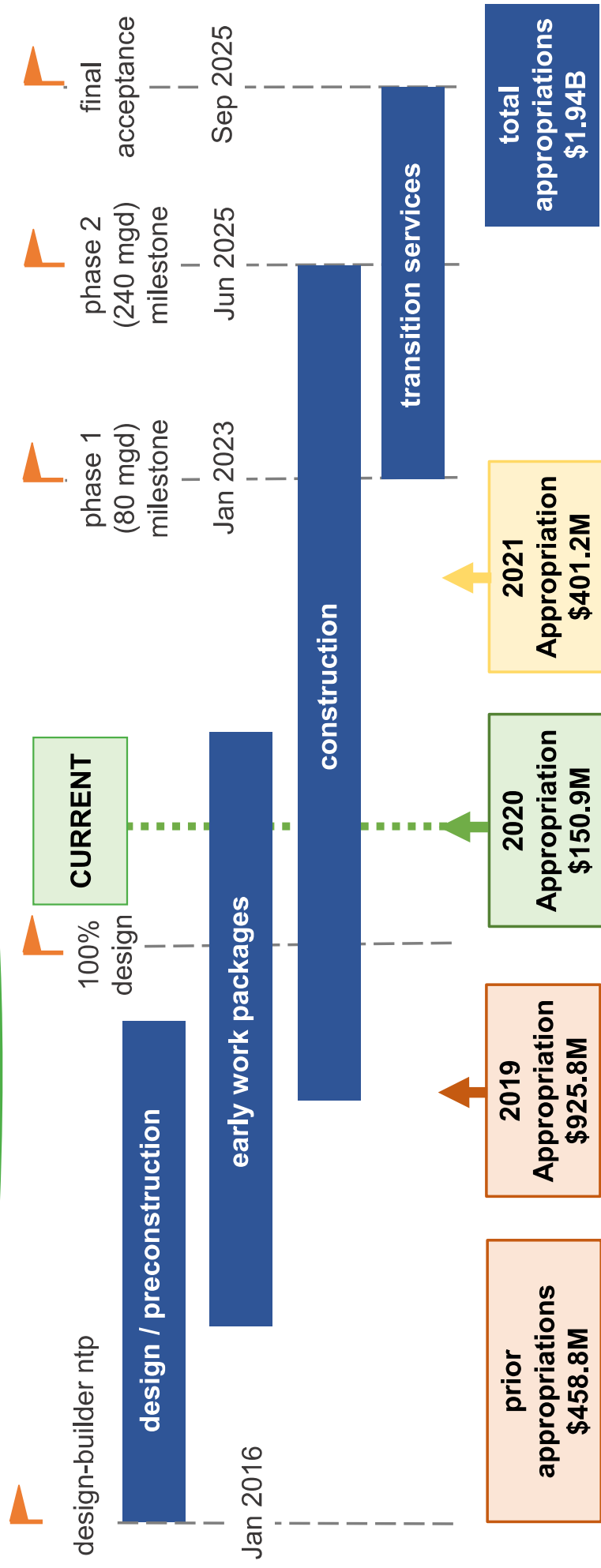
On plan to meet MWSBE goal

Total Project Goal
\$238.4M
66 Firms

MWSBE Actual Participation
\$70.1M Paid
99 Firms
192 Contracts

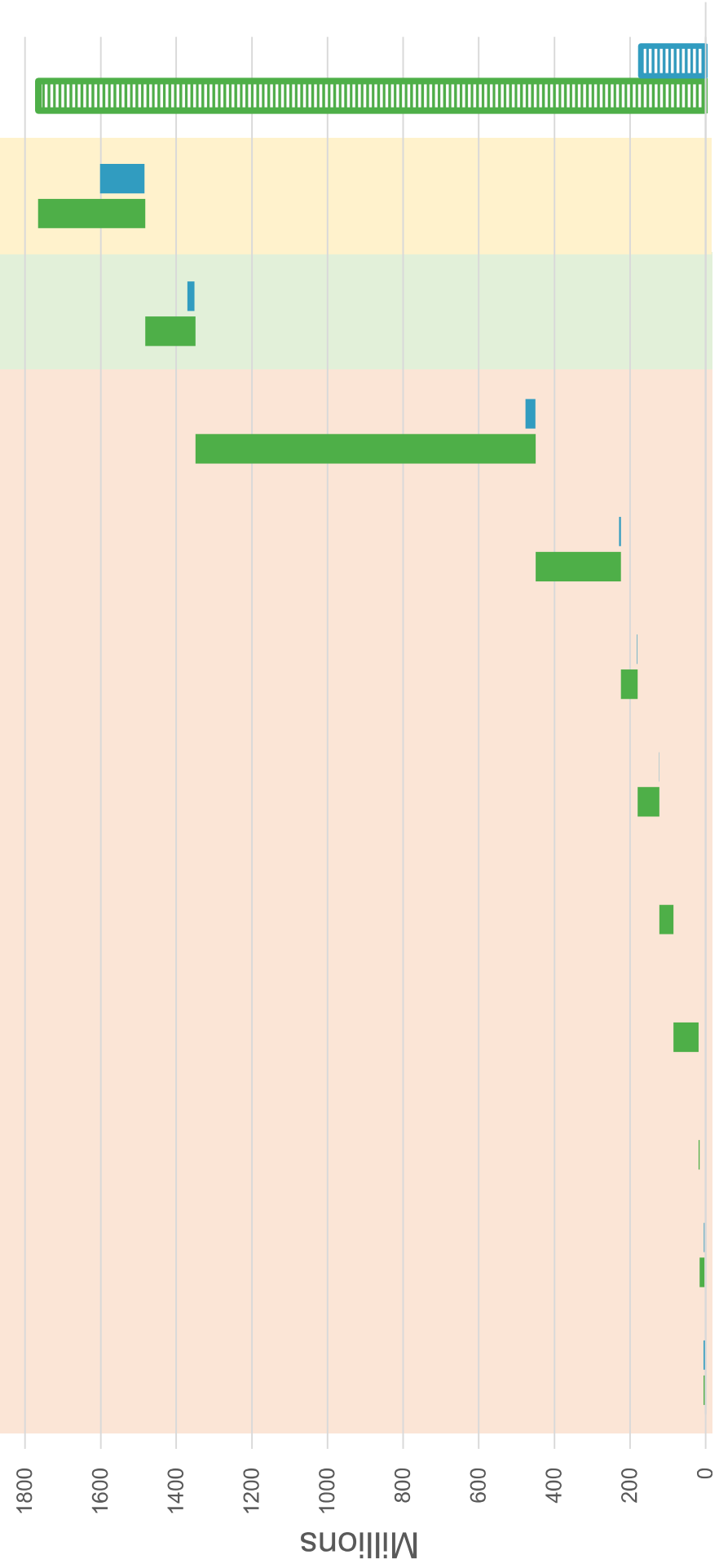
1000+ Jobs created

TIMELINE



PROJECT APPROPRIATIONS

	Dec 2015	Nov 2016	Mar 2017	May 2017	Dec 2017	Feb 2018	Apr 2018	Dec 2018	July 2019	Current	2021	TOTAL
contract & amendment amount	\$2.8M	\$13.0M	\$3.0M	\$66.3M	\$37.3M	\$57.5M	\$43.8M	\$226.0M	\$900.0M	\$132.1M	\$283.7M	\$1,765.5M
city salary recovery & management reserve	\$0.4M	\$2.0M	\$0	\$0	\$0	\$0.5M	\$1.7M	\$4.5M	\$25.8M	\$18.8M	\$117.4M	\$171.1M



2015 - 2018
contract & amendments 1 - 7

2019
Approp.

2020
Approp.

2021
Approp.

SUMMARY

	approval action	contract amount	management reserve	city salary recovery	appropriation ¹
previous	contract & amendments 1-7	\$449.7M	\$6.7M	\$2.4M	\$458.8M
previous	8 th Amendment – 2019 Appropriation	\$900.0M	\$23.3M	\$2.5M	\$925.8M
current	First Scheduled Additional Appropriation to 8 th Amendment to the Design-Build Services Contract – 2020 Appropriation	\$132.1M	\$16.3M	\$2.6M	\$150.9M
future	Second Scheduled Additional Appropriation to 8 th Amendment to the Design –Build Services Contract – 2021 Appropriation	\$283.7M	\$114.8M	\$2.6M	\$401.1M
	total	\$1,765.5M	\$161.1M	\$10.0M	\$1,936.6M

1. appropriation includes management reserve & city salary recovery

COST SHARING

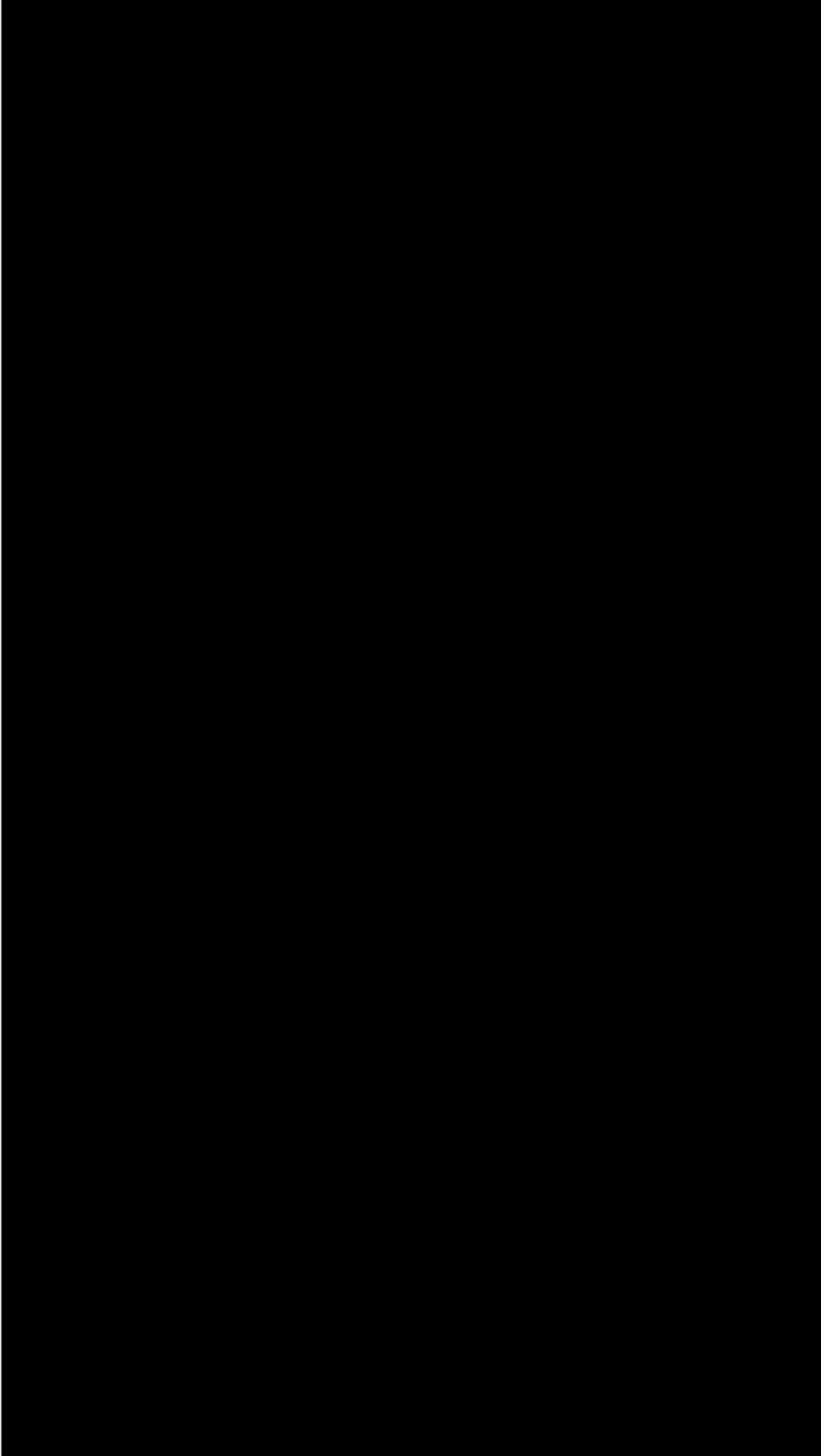
approval action		appropriation ¹	City of Houston (16% + oversized) ²	water authorities (84%)
previous	contract & amendments 1-7	\$458.8M	\$99.3M	\$359.5M
previous	8 th Amendment – 2019 Appropriation	\$925.8M	\$253.0M	\$672.8M
current	First Scheduled Additional Appropriation to 8 th Amendment to the Design-Build Services Contract – 2020 Appropriation	\$150.9M	\$2.6M	\$148.3M
future	Second Scheduled Additional Appropriation to 8 th Amendment to the Design –Build Services Contract – 2021 Appropriation	\$401.1M	\$81.4M	\$319.8M
	total	\$1,936.6M ³	\$436.3M	\$1,500.3M

1. appropriation includes management reserve & city salary recovery

2. city is funding 100% of oversized facilities (\$75.5M) that will allow for future beneficial use of entirety of water rights in San Jacinto & Trinity River

3. total appropriations are unchanged since the Council approval in July 2019

PROGRESS TO DATE



EARLY WORK PACKAGES

1 – Site Preparation (Completed)

- \$ 37.3M*
- Lazer, Emerald, Others

6 – Intake Pump Station/Pretreatment/Allowances (65.2% complete)

- \$ 225.9M*
- McCarthy, Balfour Beatty, Equipment/Pipe Vendors

4 – Raw Water Pipelines & Tunnel (83.7% complete)

- \$57.5M*
- Barnard Construction

2A – Phase 1 Filter/Transfer Pump Station Structures (92.6% complete)

- \$43.8M*
- McCarthy Construction



*Guaranteed Maximum Price does not include reserve & admin costs

PROJECT PROGRESS TO DATE

	planned	current	variance
progress	35%	36%	1% ahead
approved invoices	\$615M	\$640M	\$25M ahead
schedule*	Jan. 25, 2023	Dec. 30, 2022	26 days ahead

*schedule for Phase I (80 mgd) milestone

UPCOMING COUNCIL ACTION

when	what	who	appropriation
Nov – Dec 2020	First Scheduled Additional Appropriation to 8th Amendment to the Design-Build Services Contract - 2020 Appropriation	Houston Waterworks Team	\$150.9m (city share \$2.6m)
Aug – Sep 2021	Early work package 4 accept work	Houston Waterworks Team	\$0
Nov – Dec 2021	Second Scheduled Additional Appropriation to 8th Amendment to the Design –Build Services Contract – 2021 Appropriation	Houston Waterworks Team	\$401.2m (city share \$81.4m)

CONTACT

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contact us at this email & phone number for faster response