



**Date:** October 18, 2021

**To:** Wanda S. Page, City Manager  
**Through:** Bertha T. Johnson, Deputy City Manager  
**From:** Donald F. Greeley, Director, Water Management  
**Subject:** Award of a Non-Professional Services Contract to Hydromax USA, LLC for the Sewer Outfall Inspection Program, South Project

### **Executive Summary**

The Department of Water Management (DWM) received proposals on July 15, 2021 for the Sewer Outfall Inspection Program, South project. This project involves cleaning and inspecting sanitary sewer lines with closed-circuit television (CCTV) and/or sonar sensors at various locations throughout the City's sewer service area that flow to the South Durham Water Reclamation Facility (SDWRF).

Cleaning and inspection are among tasks performed in-house; however, there are mains in locations that are difficult or impossible to access with equipment and vehicles used by DWM staff. This contract will clean and inspect roughly 225 miles of sewer mains in the southern sewer basin that are located in busy City streets and those located off-road and alongside creeks and wetlands. The contract will have a duration of five years.

The DWM recommends the contract be awarded to Hydromax USA, Limited Liability Company (LLC).

### **Motion**

To authorize the City Manager to execute a contract with Hydromax USA, Limited Liability Company, in an amount not to exceed \$3,324,560 for the Sewer Outfall Inspection Program, South project;

To establish a contingency fund for the contract with Hydromax USA, Limited Liability Company, in the amount not to exceed \$330,000; and

To authorize the City Manager to negotiate change orders for the contract with Hydromax USA, Limited Liability Company, provided that the total contract cost does not exceed \$3,654,560.

### **Background**

The City owns and maintains approximately 1,200 miles of sanitary sewer mains. Cleaning and inspection of these mains are vital tools in maintaining and evaluating the City's sewer collection system. It is also a requirement for compliance with the City's wastewater collection permit issued by the North Carolina Department of Environmental Quality (NCDEQ).

DWM crews perform this work on sewer mains that are 12 inches in diameter or less, and in easily accessible locations. However, staff do not have the equipment needed to clean and inspect sanitary sewer mains larger than 12 inches in diameter or those located in easement areas without paved access.

Also, sewer mains located in high-density urban areas are more efficiently cleaned and inspected by contractors due to the time required to address traffic control requirements.

This work is part of DWM's ongoing sewer maintenance and rehabilitation program as it helps identify mains in need of lining or rehabilitation that will extend the service life of the main. This contract will clean and inspect roughly 225 miles of sewer mains in the southern sewer basin that are located in busy City streets and those located off-road and alongside creeks and wetlands. The contract will have a duration of five years. This equates to completion of approximately 45 miles of sewer mains per year, which is an appropriate annual productivity rate given complications associated with traffic control in busy urban areas and the reduced access to off-road areas during periods of wet weather.

A similarly scoped contract is planned for sewer mains in the northern sewer basin. The Sewer Outfall Inspection Program, North contract is anticipated for advertisement in December 2021.

### Issues and Analysis

The DWM advertised a Request for Proposals (RFP) on June 16, 2021. The RFP included a cost sheet for contractors to provide unit prices for each of the five contract years based on work quantities specified by the City. Five (5) proposals were received on July 15, 2021. On August 12, 2021, DWM requested updated cost sheets from the proposing firms as part of an RFP addendum with minor revisions to the work quantities. Three (3) revised cost sheets were received on August 23, 2021. The proposals were evaluated based on revised price and qualifications. The proposals received and their associated prices are:

<b>Contractor</b>	<b>Price</b>
Hydromax USA, LLC	\$3,319,560
Tri-State Utilities, LLC	\$4,496,640*
Hydrostructures, PA	\$4,593,700
RedZone Robotics, Inc.	\$5,611,500
Bio-Nomic Services, Inc.	\$7,556,070*

\*Revised cost sheets were not submitted by the Contractor; therefore, the price was adjusted using the original unit price and the revised quantities as specified in the RFP addendum.

The selection team determined that Hydromax USA, LLC represents the best value to the City based on price and qualifications. Hydromax USA, LLC has 18 years of experience providing the type of sewer inspection services required for this contract. Their experience includes completing over 20 million linear feet of pipe inspections using traditional CCTV camera methods and 1.5 million linear feet of pipe inspection using multi-sensor instrumentation such as sonar. Hydromax USA, LLC has an office in Garner, NC, which will allow them to rapidly respond to service calls in Durham if needed.

During the proposal evaluation process, the Equity & Inclusion Department noted that Hydromax USA, LLC did not include the Underutilized Business Enterprise (UBE) Participation form with their proposal as required by in the RFP. However, because no UBE goals were required for this RFP and no competitive advantage appears to have been gained by Hydromax USA, LLC for failure to submit the form with its proposal, the City deemed such defect to be a waivable omission.

The DWM recommends the contract be awarded to Hydromax USA, LLC as in the best interest of the City.

**Alternatives**

Alternative 1: Attempt to clean and inspect the sanitary sewer mains with City staff. The City’s crews are already committed to other sanitary sewer cleaning and inspecting efforts in support of other City projects throughout the collection system. In addition, the City’s crews do not have the equipment necessary to effectively clean and inspect larger diameter sewer lines or access sewer lines located in unpaved easement areas. Using City staff to perform this project would take significantly longer than the time provided in the contract documents and would require new equipment.

Alternative 2: Combine this work with the proposed project for the northern sewer basin. Due to the large quantity of work included in the two projects, combining the work in the northern and southern sewer basins into a single contract may exceed the capacity of suitable firms in the local market, which would serve to reduce competition and/or extend the contract period beyond the time provided in the contract documents. In addition, this alternative would result in a delay in starting the needed work because the north basin contract is not scheduled for advertisement until December 2021.

**Financial Impact**

Funding for this project is available in the following accounts:

Fund	Organization Code	Object Code	Project Code	Amount
Sewer	4100P002	731000	P28IP	\$3,324,560*
Contingency	4100P002	731900	P28IP	\$330,000
<b>TOTAL PROJECT AMOUNT</b>				<b>\$3,654,560</b>

\*The contract amount includes an additional \$5,000 allowance over the proposal price. The purpose of the allowance is to cover costs associated with software licensing required to allow direct upload of CCTV videos and data by the Contractor to the City’s master database. The licensing requirements were not known at the time of the project RFP.

**Equal Business Opportunity Summary**

Hydromax USA, LLC was determined to be non-compliant for failing to submit the required UBE Participation form with its proposal; however, no UBE goals were established for the RFP.

**Contractor Workforce Diversity & Hiring Practices**

According to the contractor’s responses to the “Contractor Workforce Diversity Questionnaire,” (see attached) the contractor is a large employer (over 100 employees) consisting of mostly unskilled workers. The contractor believes it has a diverse workforce because their workforce demographics meet or exceed both national and metropolitan statistical area (MSA) census data. The contractor did not list efforts it makes to have a more diverse workforce.

**Employee Diversity Breakdown for Primary Location**

Employment Category	Total Employees	Total Males	Total Females	Males					Females					
				White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	
Project Manager	0	0	0											
Professional	2	2	0	2										
Labor	7	7	0	6	1									
Clerical	0	0	0											
<b>Totals</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Employee Diversity Breakdown for the Consolidated Company**

Employment Category	Total Employees	Total Males	Total Females	Males					Females					
				White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	White	Black	Hispanic	Asian or Pacific Islander	Indian or Alaskan Native	
Project Manager	42	36	6	34	1		1		5			1		
Professional	13	11	2	8	1	1		1	1		1			
Labor	123	118	5	73	21	7	16	1	1	1	1	2		
Clerical	0	0	0											
<b>Totals</b>	<b>178</b>	<b>165</b>	<b>13</b>	<b>115</b>	<b>23</b>	<b>8</b>	<b>17</b>	<b>2</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>0</b>

**Attachments**

1. Contract for Non-Professional Services
2. Notice of Intent to Award Contract
3. Contractor Workforce Diversity Questionnaire