

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

AGENDA DATE: October 11, 2022

PUBLIC HEARING DATE: N/A

CONTACT PERSON(S) NAME AND PHONE NUMBER: Yvette Hernandez, City Engineer – (915) 212-1860

DISTRICT(S) AFFECTED: 4

STRATEGIC GOAL: No. 6 - Set the Standard for Sound Governance and Fiscal

SUBGOAL: 6.7 Deliver effective and efficient processes to maximize value in obtaining goods and services.

SUBJECT:

Discussion and action that the Purchasing & Strategic Sourcing Director is authorized to notify Perikin Enterprises, LLC, that the City is terminating Contract: 2021-1146 for the construction of the Hondo Pass Collection Station effective October 18, 2022, pursuant Section of Paragraph 6.9.2 of the General Condition of said Contract and that the Purchasing & Strategic Sourcing Director is authorized to sign all documents necessary to terminate said Contract.

BACKGROUND / DISCUSSION:

City Council authorized award of Contract 2021-1146 for the construction of the Hondo Pass Collection Station at the location of the existing station to Perikin Enterprises, LLC, for \$2,247,463.12 on July 7, 2021. Following the award it was determined that a Special Permit was necessary as the zoning of the property does not allow for such uses. The Special Permit was approved by Council on July 19, 2022 and the contractor proceeded to apply for a building permit. That permit was not ready to issue until September 29, 2022. A pre-construction meeting was held and the contractor was informed Notice-to-Proceed would be issued when the building permit was issued. Because of increases in labor and material costs due to COVID and supply chain disruptions the contractor requested an economic adjustment (contract value increase) on September 14, 2022 in the amount of \$428,913.00. The contract lacks a provision for economic adjustments. Perikin has requested that the City terminate the contract without cause.

The City anticipates re-advertising the project for bid in by October 2022.

PRIOR COUNCIL ACTION:

Contract 2021-1146 Hondo Pass Citizen Collection Center was awarded by City Council on July 7, 2021

AMOUNT AND SOURCE OF FUNDING: N/A

HAVE ALL AFFECTED DEPARTMENTS BEEN NOTIFIED? YES NO

PRIMARY DEPARTMENT: Capital Improvement Department

SECONDARY DEPARTMENT: Purchasing and Strategic Sourcing

Revised 04/09/2021

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Assistant Director Capital Improvement

Jerry DeMuro / for

Xvette Hernandez, P.E. City Engineer



Claudia Garcia Interim Director Purchasing and Strategic Sourcing

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

WHEREAS, on July 7, 2021 the City of El Paso (“City”) awarded Contract No. 2021-1146 for the construction of the Hondo Pass Citizen Collection Station (“Contract”) to Perikin Enterprises, LLC (“Contractor”) for the contract price of \$2,247,463.12;

WHEREAS, Contractor has requested an increase in the contract price based on an increase in labor and material costs and supply chain issues resulting from the COVID-19 pandemic;

WHEREAS, the Contract does not provide for a contract price increase based on an increase in labor and material costs and supply chain issues;

WHEREAS, Contractor has not performed any work under the Contract;

WHEREAS, Section 6.9.2 of the General Conditions of the Contract permits the City to terminate the Contract at any time, without cause, and for any reason by giving Contractor seven days prior written notice;

WHEREAS, the City desires to terminate the Contract pursuant to Section 6.9.2 of the General Conditions of the Contract.

THEREFORE, BE IT RESOLVED BY CITY COUNCIL OF THE CITY OF EL PASO:

That the Purchasing and Strategic Sourcing Director is authorized to notify Contractor that the City is terminating Contract No. 2021-1146 for the construction of the Hondo Pass Citizen Collection Station pursuant to Section 6.9.2 of the General Conditions of said Contract; and that the Purchasing and Strategic Sourcing Director is authorized to sign all documents necessary to terminate said Contract.

(Signatures on the following page)

APPROVED this _____ day of _____ 2022.

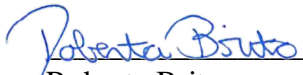
THE CITY OF EL PASO:

Oscar Leeser,
Mayor

ATTEST:

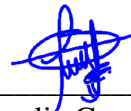
Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Roberta Brito
Assistant City Attorney

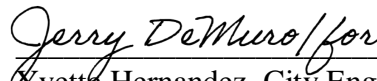
APPROVED AS TO CONTENT:



Claudia Garcia, Interim Director
Purchasing and Strategic Sourcing

APPROVED AS TO CONTENT:

Assistant Director Capital Improvement Department



Yvette Hernandez, City Engineer
Capital Improvement Department