

It's real.

MEMORANDUM

To: Mayor and City Council Members
Steve Parker, City Manager

From: Timothy J. Howe, Director – Water / Wastewater Utilities

Through: Rick Cortes, Deputy City Manager

Subject: Capital Improvement Agreement with MarkWest Texas PNG, LLC for Sanitary Sewer Relocation near CH Matthies

Date: August 3, 2021

MarkWest owns and operates a natural gas transmission pipeline (the “pipeline”) that runs through the City of Seguin. While installing or repairing the pipeline, a bore perforated a City sewer line resulting in part of the transmission line running through the City’s sanitary sewer near CH Matthies Street and causing a partial obstruction to the flow of sanitary sewer through the wastewater collection system. In order to maintain a constant gas flow necessary to serve critical customers, MarkWest has agreed to reimburse the City for its costs in lowering this section of sewer line.

Subject to the terms of the agreement, MarkWest shall pay the City an amount not to exceed \$239,068.00, the amount based on the cost of the project. Any additional costs must be approved by MarkWest prior to the City entering into a change order with their contractor. Payment shall consist of two installments.

1. Installment one shall be in the amount of \$46,420 and payable upon execution of this agreement. Installment one is the amount of the design surveying and engineering. Upon receipt of this payment the City will authorize the design engineer to begin the design engineering for this project.
2. Installment two shall be in the amount of \$192,648 and payable ten (10) days after bid opening. Installment two is the amount of the construction cost and contingencies. Upon receipt of this payment the City will authorize the contractor to proceed with construction.

Upon completion of the project, the City shall provide MarkWest with all invoices approved by the City and its Engineer for the services rendered under the construction contract. MarkWest shall only be liable for the actual approved costs of the Project. Staff recommends approval and will be available to answer any questions at the August 3, 2021 Council Meeting.