PORT OF GALVESTON
REQUEST FOR DISCUSSION AND
TRUSTEES ACTION

BUSINESS ITEM

PREPARED BY:  Jeffrey Thomas  Chief Engineer  January 28, 2020

SUBJECT:  Consider and Approve Interlocal Agreement between the Board of Trustees of the Galveston Wharves and the City of Galveston for Road and Waterline Improvements along Old Port Industrial Road between 29th Street and 33rd Street

BACKGROUND:  On October 11, 2019 Texas Gulf Construction Company Mobilized and work began on the Old Port Industrial Improvements. On October 23rd, the City of Galveston stopped work on the project over concerns of needing to replace a waterline running alongside the roadway. Port Staff worked with City staff to reach an agreement on how to move forward with the replacement of the waterline and the construction of the Old Port Industrial Rd Improvements. The Interlocal Agreement states that the Port will pay for the cost of Engineering and Construction of the waterline and then be reimbursed for the cost of constructing the waterline. The agreement also states that construction on Old Port industrial can continue once the Waterline construction is completed. The cost of the design of the waterline is not expected to exceed $57,489.00. The construction of the water line is estimated at $450k-500k which would be reimbursed by the City of Galveston.

RECOMMENDATIONS:  The Board of Trustees is respectfully requested to listen to the briefing of the Port Director and approve the Port Director to enter into an Interlocal Agreement between the Board of Trustees of the Galveston Wharves and the City of Galveston for Road and Waterline Improvements along Old Port Industrial Road between 29th Street and 33rd Street

Respectfully Submitted By:

Rodger Rees, Port Director/CEO

DATE ACTION TAKEN:  

Approved:  
Disapproved:  
Deferred To:  
Incorporated into Minutes:  

Motion By:  
Seconded By:  
Unanimous:  Yes  No  
By:  
PORT OF GALVESTON
CONSIDER AND APPROVE INTERLOCAL AGREEMENT BETWEEN THE BOARD
OF TRUSTEES OF THE GALVESTON WHARVES AND THE CITY OF GALVESTON
FOR ROAD AND WATERLINE IMPROVEMENTS ALONG OLD PORT INDUSTRIAL
ROAD BETWEEN 29TH STREET AND 33RD STREET

Background

The Port of Galveston was awarded Rider 48 project funds by TXDOT to repair and upgrade Old Port Industrial Road in 2016. A portion of the construction cost, $1,088,471.00, will be paid for out of the Texas Mobility Fund. On July 24, 2018, the Board of Trustees approved the award of a Master Services Agreement (MSA) to Brown & Gay Engineers (BGE) for the design of the repair and upgrade of Old Pct Industrial Road between 29th Street and 33rd Street. BGE completed this work and a Request for Bids was issued for the construction of the project in January 2019. In April 2019, the Board of Trustees delegated authority to the Port Director to enter into a construction contract for Old Port Industrial Road Improvements, Not to Exceed $2,031,666.99, contingent on the execution of an Advanced Funding Agreement AFA with TXDOT. In May 2019, the AFA with TXDOT was executed.

Current Situation

On October 11, 2019 Texas Gulf Construction Company mobilized and work began on this project. On October 23rd, the City of Galveston stopped work on the project over concerns of needing to replace a waterline running alongside the roadway. Port Staff worked with City staff to reach an agreement on how to move forward with the replacement of the waterline and the construction of the Old Port Industrial Road Improvements. The Interlocal Agreement states that the Port will pay for the cost of Engineering and Construction of the waterline and then be reimbursed for the cost of constructing the waterline by the City of Galveston. It also states that construction on Old Port Industrial can continue once the waterline construction is completed.

Fiscal Impact

The cost of the design of the waterline is not expected to exceed $57,489.00. The construction of the waterline is estimated at $450k-500k which would be reimbursed by the City of Galveston.

Staff Recommendation

The Board of Trustees is respectfully requested to listen to the briefing of the Port Director and approve the Port Director to enter into an Interlocal Agreement between the Board of Trustees of the Galveston Wharves and the City of Galveston for Road and Waterline Improvements along Old Port Industrial Road between 29th Street and 33rd Street

Attachments 1/28/2020
INTERLOCAL AGREEMENT BETWEEN THE CITY OF GALVESTON 
AND THE BOARD OF TRUSTEES OF GALVESTON WHARVES 
OLD PORT INDUSTRIAL ROAD – ROAD AND WATER LINE IMPROVEMENTS

This Agreement is entered into by the City of Galveston ("City") acting by and through its City 
Council and the Board of Trustees of the Galveston Wharves, a separate utility of the City of 
Galveston ("Wharves"); and,

WHEREAS, the City and Wharves (collectively, the "Parties") are political subdivisions of the 
State of Texas and are authorized to enter into an agreement with each other relative to 
governmental functions and services by the Interlocal Cooperating Act, Texas Government Code, 
Chapter 791; and,

WHEREAS, Wharves manages and operates certain City owned assets as provided in Article XII 
of the Galveston City Charter, and as authorized by Chapter 54 of the Texas Transportation Code.

THEREFORE, for the mutual premises contained herein, the Parties agree as follows:

The Parties agree that Wharves is a separate utility of the City established by the City Charter of 
the City of Galveston Article XII, by which Wharves has exclusive management and control of 
certain property owned by the City, as well as the income and revenues derived therefrom.

Old Port Industrial Road is located within the property managed by Wharves. In order to facilitate 
better vehicular traffic flows for Wharves customers and cruise passengers, Wharves has 
undertaken a public works project which, in part, will improve and expand Old Port Industrial 
Road from two to three lanes in an area generally located between 29th and 33rd Streets (the "Road 
Improvement Project").

The City currently operates a water line running parallel and to the south of Old Port Industrial 
Road (the "Existing Water Line"). As currently designed, the Road Expansion Project would cover 
the Existing Water Line with paved roadway. Additionally, the Existing Water Line is deteriorated 
and of inferior quality, and should be replaced in order to best serve Wharves and other customers 
who purchase water from the City.

The Parties further agree that the Existing Water Line will be replaced by a new water line using 
PVC (AWWA C900) pipe, twelve (12) inches in diameter running from 29th Street to 33rd Street 
parallel to the Existing Water Line (hereafter, the "New Water Line."), pursuant to the terms and 
conditions set out in this Interlocal Agreement.

Therefore, in contemplation of the above, the City and Wharves agree as follows.

1) Wharves will retain a qualified professional engineering firm to design documents and bid 
specifications for the construction of the New Water Line.
2) Following completion of the design documents and bid specifications for the New Water Line, Wharves shall submit said design documents and bid specifications to the City for review and approval. Along with such submittal the Wharves shall provide a working link for the plans and specifications released for Construction by the Project Engineer, to engineering@galvestontx.gov

3) Within ten (10) days of the City’s receipt of the design documents and bid specifications for the New Water Line, the City shall state specific objections and specific requested changes to the design documents and bid specifications. If the City does not provide objections or specific requested changes to the design documents and bid specifications within ten (10) days of receipt, the City shall be deemed to have have no objections to the design documents and bid specifications. If the City interposes no objection as stated herein, the Port’s Engineer of Record for the project shall issue final approval of the plans.

If the City does provide specific objections or specific requested changes to the design documents and bid specifications for the New Water Line within said ten (10) day period, Wharves shall submit revised design documents and bid specifications for the New Water Line to the City for review and approval; thereafter, the City shall review and approve or provide specific objects or proposed revisions to Wharves within ten (10) days following receipt thereof. The same process shall continue until a final set of design documents and bid specifications for the New Water Line are approved by the City. At each stage of review of Wharves’ proposed design documents and bid specifications for the New Water Line, City’s review and approval shall not be unreasonably withheld, conditioned or delayed.

4) Following the City’s approval of the design documents and bid specifications for the New Water Line, Wharves may either seek competitive bids for the construction of the new Water Line, or, alternatively, use Wharves’ own Construction and Maintenance Department to construct the New Water Line.

5) Following completion of construction of the New Water Line, Wharves shall submit an invoice, with appropriate information attached, for construction costs incurred by Wharves in constructing the New Water Line. The City shall not be liable for any base repair; asphalt, concrete or other work that is associated with the Road Improvement Project. The City’s costs shall be solely related to the construction of the New Water Line. The City shall pay Wharves’ invoice for these construction costs incurred with thirty (30) days’ of the City’s receipt of said invoice.

6) Additionally, and following completion of construction of the New Water Line, the water line and its related work must be inspected and accepted by the City’s utility department. After such acceptance, Wharves may proceed to complete the Road Improvement Project.

7) Payments shall be made by the City to Wharves by check or electronic payment made payable to the order of the Board of Trustees of the Galveston Wharves, delivered to Wharves.

8) Communications between the parties shall be sent to the following:
To the City:
City Manager
City Hall
823 Rosenberg
Room 201
Galveston, TX 77550

To the Port:
Port Director/CEO
Port of Galveston
123 Rosenberg
8th Floor
Galveston, TX 77550

9) This Agreement represents the entire agreement of the parties and supersedes all prior written or oral agreements, and the terms are contractual and not mere recitals.

10) This Agreement may be executed in multiple counterparts, each of which shall be deemed as an original, but all of which shall constitute one and the same instrument. A copy of this Agreement shall be as valid, binding, and enforceable as the original.

11) This Agreement may not be amended, altered, modified, or changed in any way except in writing signed by all the parties to this Agreement taken in compliance with the Oper. Meetings Act of the State of Texas.

12) All titles, headings, and captions used in this Agreement have been included for administrative convenience only and do not constitute matters to be construed in interpreting this Agreement.

13) Each Party hereto acknowledges that it has been fully advised by counsel of its choosing as to the terms and provisions of this Agreement.

14) Each Party agrees to execute any further documents, including any declaration, oath, affidavit, confirmation or other instrument, necessary or appropriate to complete, effectuate or give full effect to the terms of this Agreement.

15) This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. The Agreement is entered into and fully performable within Galveston County, Texas Venue shall lie in Galveston County, Texas.

16) The Parties as evidenced by their below duly authorized representative signatures represent and warrant to have full corporate power and authority to enter into this Agreement and to carry out the obligations and transactions contemplated hereby.

ENTERED INTO AND AGREED UPON by the parties as evidenced by the below signatures of the duly authorized representatives.

BY EXECUTION OF THIS AGREEMENT THE PARTIES ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.
CITY OF GALVESTON

BY: __________________________
NAME: Brian Maxwell
TITLE: City Manager
DATE: __________________________

ATTEST:
CITY OF GALVESTON

Janelle Williams
City Secretary

BOARD OF TRUSTEES OF THE
GALVESTON WHARVES

BY: __________________________
NAME: Rodger E. Rees
TITLE: Port Director/CEO
DATE: __________________________

APPROVED AS TO FORM:

City Attorney Office- Galveston

BOARD OF TRUSTEES OF THE
GALVESTON WHARVES

NAME: Angie Ramirez
TITLE: Secretary to the Board

APPROVED AS TO FORM:

Anthony Brown
Legal Counsel to the Board of Trustees of the
Galveston Wharves