



City Council Report

Date: July 11, 2016
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Rob Kidder, Assistant City Engineer
Subject: Signal Butte Water Treatment Plant
Construction Services Contract (GMP No. 1)
City Project C01600
District 6

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) for the Signal Butte Water Treatment Plant, a Construction Manager at Risk (CMAR) project. See Exhibit "A" for project location.

Staff recommends that Council award a contract for this project to Sundt Construction in the amount of \$35,008,509.00 (GMP No. 1) and authorize a change order allowance (3%) in the amount of \$1,050,255.00. GMP No. 1 is the first of two GMPs that will be negotiated for the project. GMP No. 2 will be presented to Council for consideration at a future date.

Background

On November 4, 2014, Mesa voters approved a Water Bond Program that included construction of the Signal Butte Water Treatment Plant. The site for the plant is located on the northeast corner of Signal Butte and Elliot Roads.

The demand for potable water has been increasing due to new development in southeast Mesa. Current water demand projections require increasing the City's treatment capacity by 24 million gallons per day (MGD).

Discussion

In July 2014, staff received three Statements of Qualifications from potential contractors to perform CMAR services for this project. Based on an evaluation of these Statements of Qualifications and subsequent interviews, Sundt Construction was selected as the most qualified CMAR. Sundt has performed preconstruction services developing the

project design, reviewing the design for constructability, preparing cost estimates, and developing the project schedule and project phasing.

City staff and Sundt recently completed negotiations for GMP No. 1. Separating the project into two GMPs will accelerate construction and result in the production of water by the plant by the spring of 2018.

Alternatives

An alternative to the approval of GMP No. 1 would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the need for the additional services provided by a CMAR contractor during the design phase. This is a fast paced, complex project requiring specialized construction, phasing, sequencing, and constructability analysis by the contractor.

Another alternative is to not build the proposed treatment plant. This is not recommended because the City's water supply would be compromised as the population increases in southeast Mesa.

Fiscal Impact

The total authorized amount recommended for this portion of the project is \$36,058,764.00, based upon a GMP No. 1 of \$35,008,509.00, plus an additional \$1,050,255.00 (3%) as a change order allowance. This allowance will only be used for approved change orders.

This project is funded by 2014 authorized Water Bonds.

Coordinated With

The City of Mesa Water Resources Department concurs with this recommendation.