



# City Council Report

**Date:** August 22, 2016  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Rob Kidder, Assistant City Engineer  
**Subject:** Val Vista Water Transmission Main Project – Phase 3  
Construction GMP2  
City Project C10597-3  
District 1

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to present the second Guaranteed Maximum Price (GMP) for the Val Vista Water Transmission Main Project – Phase 3, a Construction Manager at Risk (CMAR) project. (Refer to Exhibit “A” for the project location.)

Staff recommends that Council award the second of two GMP contracts to Garney Construction in the amount of \$2,130,937.96, and authorize a change order allowance in the amount of \$62,066.15.

## Background

The City of Mesa has initiated a three-phase project to build a new water transmission main and associated facilities to deliver water from the Val Vista Water Treatment Plant. The City of Mesa owns 90 million gallons per day at the Val Vista Water Treatment Plant and this transmission main will deliver this water to the three existing reservoirs located in the “City Zone”, in the western part of the City. The new Val Vista Water Transmission Main will serve as a dedicated water main for the City of Mesa to fulfill the requirements of an intergovernmental agreement between the City of Mesa and the City of Phoenix.

This contract is the second of two expected GMPs for construction third phase of the project. This contract consists of 4,225 linear feet of 16-inch waterline and appurtenances, in addition to control systems installation and the addition of chlorination improvements to City Wells 25 and 27. The anticipated total cost for this project (includes both GMPs) is \$17,853,482.80.

## **Discussion**

In March 2014, Staff received “Statements of Qualifications” from contractors to serve as the CMAR for this project. Based on an evaluation of their Statements of Qualifications, Garney Construction was recommended as the most qualified CMAR, and was subsequently awarded a Pre-Construction Services contract.

Once underway, construction of this project is anticipated to extend contract time an additional 3 months.

## **Alternatives**

An alternative to the approval of the Construction Services contract for this CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the size and complexity of the project. The majority of all work in this project has been competitively bid by Garney Construction to multiple subcontractors, and staff has ensured that Mesa based businesses, including affiliated businesses, are given an opportunity to bid on the work.

Another alternative is not to perform the work. This is not recommended because the project is a high priority for Mesa and represents the second phase of planned water system improvements in the City Zone.

## **Fiscal Impact**

The total authorized amount recommended for this project is \$2,130,937.96, based upon a GMP of \$2,068,871.80, plus an additional \$62,066.15 (3%) as a change order allowance. This contingency allowance will only be utilized for approved change orders. Funding is available from the 2014 authorized Water Bonds.

## **Coordinated With**

The Water Resources Department concurs with this recommendation.