



# City Council Report

**Date:** October 17, 2016  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Signal Butte Water Treatment Plant  
Construction Services Contract (GMP No. 2)  
City Project C01600  
District 6

## Strategic Initiatives



## Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP No. 2) for the Signal Butte Water Treatment Plant, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location).

GMP No. 2 includes the remaining scope of work necessary to complete the project. Staff recommends that Council award a contract for the completion of this project to Sundt Construction in the amount of \$65,626,754.00 (GMP No. 2), and authorize a change order allowance in the amount of \$1,968,803.00 (3%).

## 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 (SOQ) from potential contractors proposing to act as the CMAR for this project. Based on an evaluation of these SOQ's and subsequent interviews, Sundt Construction was recommended as the most qualified CMAR and was awarded a preconstruction services contract. Sundt has performed preconstruction services including reviewing the design for constructability,

preparing cost estimates, and developing the project schedule and phasing.

On July 11, 2016 the City Council awarded a contract for GMP No. 1 in the amount of \$35,008,509.00 with a change order allowance of \$1,050,255.00 (3%) to Sundt Construction to begin constructing the SBWTP. GMP No. 1 included earthwork, concrete, and equipment purchases. The purpose of GMP No. 1 was to expedite the schedule, reduce construction cost, and enable the City to start treating and delivering water to customers by May of 2018. City staff and Sundt recently completed negotiations for GMP No. 2 for the remaining work on the SBWTP.

### **Alternatives**

An alternative to the approval of GMP No. 2 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 \$67,595,557.00, based upon a GMP No. 2 of \$65,626,754.00, plus an additional \$1,968,803.00 (3%) as a change order allowance. This change order 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.



## EXHIBIT "A"



# SIGNAL BUTTE WATER TREATMENT PLANT

10950 EAST ELLIOT ROAD  
CITY OF MESA PROJECT NO. C01600