



City Council Report

Date: December 11, 2017
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Guaranteed Maximum Price (GMP) No. 2
CAP Raw Water Pipeline Project
City Project No. C01645
Council District 6

Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) No. 2 for the Central Arizona Project (CAP) Raw Water Pipeline project, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location).

GMP No. 2 includes the purchase of materials and construction of the control structure at the CAP canal, the communication fiber-optic line from the Signal Butte Water Treatment Plant (SBWTP) to the control structure, and construction of the north half of Elliot Road from Signal Butte Road to Mountain Road.

Staff recommends that Council award a contract for this final phase of the project to Garney Construction in the amount of \$3,270,476.08 (GMP No. 2), and authorize a change order allowance in the amount of \$163,523.80 (5%).

Background

The City of Mesa is currently in the process of building the Signal Butte Water Treatment Plant (SBWTP), a new 24 million gallon per day plant at the northeast corner of the Elliot Road and Signal Butte Road intersection. The control structure at the CAP aqueduct will provide the water source for the SBWTP. The raw water pipeline (GMP No. 1) and the control structure (GMP No. 2) will be able to deliver up to 48 million gallons of water per day to be treated at the plant. Additionally, the expansion of Elliot Road from Signal Butte Road to Mountain Road along the frontage of the SBWTP will complete this section of roadway.

Discussion

In July 2016, Staff received seven "Statements of Qualifications" (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of the SOQ's and subsequent interviews, Garney Construction was selected as the most qualified CMAR, and was awarded Pre-Construction Services and GMP No. 1

contracts. Through GMP No. 1, Garney Construction has performed construction services for the 54-inch pipeline extending approximately 3-miles from the City's existing turnout structure at the CAP canal. Garney Construction was again recommended to perform construction services from GMP No. 2.

Once underway, construction of this project is anticipated to last no more than 9 months.

Alternatives

An alternative to the approval of a 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 complexity and expedited timeline required for this project. The majority of all work in this project will be competitively bid by Garney Construction to multiple subcontractors, and staff will ensure 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 given the critical schedule needs of this waterline to operate prior to the startup of the SBWTP.

Fiscal Impact

The total authorized amount recommended for this project is \$3,433,999.88, based upon a GMP of \$3,270,476.08, plus an additional \$163,523.80 (5%) as a change order allowance. This change order allowance will only be utilized for approved change orders.

This project is funded by 2014 authorized Water Bonds, Highway User Revenue Fund, and 2013 Street Bonds.

Coordinated With

The Water Resources Department and Transportation Department concur with this recommendation.