



# City Council Report

**Date:** December 3, 2018  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Rob Kidder, Assistant City Engineer  
**Subject:** Horne Road Improvements Project (6<sup>th</sup> Ave. to Southern Ave.)  
City Project Nos. CP0366 and CP0557  
Council District No. 4

## Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) No. 2 for the Horne Road Improvements Project, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location).

GMP No. 2 includes the scope of work necessary to complete the proposed pavement improvements; water and gas replacements; electric undergrounding; and new storm drain and sewer chemical feed line scope of work. Staff recommends that Council award a contract for this portion of the project to Haydon Building Corporation in the amount of \$6,340,879.73 (GMP No. 2), and authorize a change order allowance in the amount of \$317,043.99 (5%).

## Background

A previous GMP No. 1 for this project constructed a storm water detention basin at the southeast corner of 9<sup>th</sup> Avenue and Horne. Construction of the detention basin was partly funded by a Flood Control District of Maricopa County grant and was recently completed. A portion of GMP No. 2 provides for additional storm drain infrastructure to allow the detention basin to be fully functional.

Existing water and gas infrastructure in Horne was constructed between 1957 and 1964 and has reached the end of its lifecycle. City staff has also determined that the existing water lines are undersized for their current usage levels. GMP No. 2 will construct a new 16-inch water line and a new 2-inch gas line to replace the existing 12-inch water and 2-inch gas infrastructure.

The sanitary sewer system requires corrosion prevention and odor control measures to protect the existing infrastructure and extend its service life. A new Ferrous Chloride

line is proposed to connect the existing Horne Sulfide Control station to a portion of the sanitary sewer system to provide increased corrosion and odor control protection downstream.

Electrical undergrounding is part of this construction project to improve neighborhood aesthetics. Overhead City and Salt River Project (SRP) electrical and non-city communications lines will be undergrounded as part of this construction project. The SRP relocation will be funded through the SRP Aesthetics program.

Due to the requirement of multiple trenches for the new utilities and the existing pavement condition, paving improvements are included for portions of the project. The pavement will be milled and overlaid with new asphalt between Southern and 9<sup>th</sup> Avenue. North of 9<sup>th</sup> Avenue, trenches will be restored with new asphalt and the road will be finished with a new seal coat.

## **Discussion**

In April 2016, CSW Contractors, Inc. was awarded a contract for GMP No. 1 for the construction of the storm water detention basin. Prior to starting construction of GMP No. 2, CSW entered into receivership and were no longer able to continue work on this project. A new CMAR selection process was initiated to identify the best qualified contractor to proceed with GMP No. 2. This new GMP No. 2, which includes additional paving, drainage, water, gas, electrical, and sulfide control infrastructure, is recommended for approval.

In April 2018, Staff received two (2) "Statements of Qualifications" from contractors proposing to act as the CMAR for this project. Based on an evaluation of these Statements of Qualifications, Haydon Building Corporation (HBC) was recommended as the most qualified CMAR for this project. HBC has worked closely with the project team to coordinate design modifications, reviewed the design for constructability, prepared cost estimates, and developed the project schedule and phasing.

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 size and complexity of the project. The majority of the work will be competitively bid by HBC 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 because the drainage benefits associated with this project would not be realized and the utility

infrastructure would continue to deteriorate to the point of failure.

**Fiscal Impact**

The total authorized amount recommended for this project is \$6,657,923.72, based upon a GMP of \$6,340,879.73, plus an additional \$317,043.99 (5%) as a change order allowance. This change order allowance will only be utilized for approved change orders.

This project is funded by Local Street Sales Tax, 2010 and 2014 authorized Electric Bonds, and 2014 authorized Water, Wastewater and Gas bonds.

**Coordinated With**

The Transportation, Water Resources, and Energy Resources Departments concur with this recommendation.