



# City Council Report

**Date:** November 4, 2019  
**To:** City Council  
**Through:** Kari Kent, Assistant City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Mesa City Center – First Guaranteed Maximum Price (GMP No. 1) – City Infrastructure Improvements (**District 4**)

## Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) for the proposed City Center Utility Improvements Project, a Construction Manager at Risk (CMAR) project. (See Exhibit “A” for project location.)

GMP No. 1 includes improvements to the City’s infrastructure necessary to support the ASU building, the Plaza, the Studios, as well as future development and improvements in the area. The infrastructure work includes water, sewer, electric, gas, and communications facilities, as well as vehicular and pedestrian access improvements, street repair, and street repaving.

Staff recommends awarding a contract for this project to the selected Construction Manager at Risk, DPR Construction, in the amount of \$4,896,762 (GMP) and authorizing a change order allowance in the amount of \$489,676, for a total amount of \$5,386,438. This project is funded by Utility Bonds, 2018 Public Safety Bonds, ITD Operating Budget, and 2013 Streets General Obligation Bonds.

## Background

The Council approved an Intergovernmental Agreement (IGA) with Arizona State University (ASU) for a new building project in February 2018. The City and ASU subsequently entered into a lease agreement for the building in November 2018.

The proposed building will support ASU programs related to digital and sensory technology, film and media arts, user experience design, and entrepreneurial support. This project will create unique, sustainable, and architecturally significant spaces for ASU and the City.

The Plaza @ Mesa City Center will be a gathering place for the community. It will consist of a large open space, a water feature, and seasonal ice rink. The Plaza will also create a strong pedestrian connection between the Center Street light rail station and the new ASU facility. The Plaza project was presented as part of the 2018 Parks Bond Election which was approved by voters.

The utility work in this contract will be comprised of improvements necessary to support both the building and plaza and future development and improvements in the area. The utility work includes water, sewer, electric, gas, and communications facilities as well as associated street repair/repaving.

## **Discussion**

In September 2018, Staff received eleven “Statements of Qualifications” (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of these SOQ’s and subsequent interviews, DPR Construction was recommended as the most qualified CMAR, and subsequently awarded a Pre-Construction Services contract. During the Pre-Construction Phase, the CMAR worked closely with the project team to develop the project design, review the design for constructability, prepare cost estimates, and develop the project schedule.

The last item developed during the Pre-Construction Phase is the “Guaranteed Maximum Price” (GMP) for the project.

Once underway, construction of this utility project is anticipated to last no more than 4 months.

This GMP for utility work in Mesa City Center is the first of a series of GMP’s relating to City Center work. The table below illustrates the anticipated timeline of future GMP’s for Council review.

<b>Project</b>	<b>Scope of Work</b>	<b>Anticipated Date</b>
City Center Utility Improvements	Utility Work	November 4, 2019
ASU Building – GMP 1	Building site demo only	December 9, 2019
ASU Building – GMP 2	Site grading, foundations, and structure	January 2020
ASU Building – GMP 3	Remaining building construction	June 2020
The Plaza	All new construction	June 2020

## **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 and because a majority of the work in this project will be competitively bid by DPR Construction to multiple subcontractors.

Another alternative is to not perform the work. This is not recommended because this would hinder progress on the development of ASU in downtown Mesa and would be contrary to the IGA and associated lease between the City and ASU.

**Fiscal Impact**

The total authorized amount recommended for this project is \$5,386,438, based upon a GMP of \$4,896,762, plus an additional \$489,676 (10%) as a change order allowance. This contingency allowance will only be utilized for approved change orders.

This project is funded by Utility Bonds, 2018 Public Safety Bonds, ITD Operating Budget, and 2013 Streets General Obligation Bonds.

**Coordinated With**

The Energy Resources Department, Water Resources Department, Information Technology Department, and Transportation Department concur with this recommendation.