



# City Council Report

**Date:** September 9, 2024  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Marc Ahlstrom, Assistant City Engineer  
**Subject:** Southeast Water Reclamation Plant Improvements  
City Project No. CP0953SE01  
Council District 6

## Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) for the Southeast Water Reclamation Plant Improvements, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location).

Staff recommends that Council award a contract for this project to McCarthy Building Companies in the amount of \$3,765,229.70, (GMP) and authorize a change order allowance in the amount of \$376,522.97 (10%).

## Background

The City of Mesa's Southeast Water Reclamation Plant (SEWRP) is located near Baseline Road and Power Road, and was built in 1978. The SEWRP currently treats approximately five million gallons per day (MGD) of wastewater.

This project includes replacing existing Programmable Logic Controllers (PLC) and the Mixed Liquor Recycle (MLR) pumps. The existing PLCs and MLR pumps have reached the end of their service life and require replacement to continue the reliable operation of the plant.

## Discussion

In August of 2022, Staff received one "Statement of Qualification" (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of the SOQ's and

subsequent interviews, McCarthy Building Companies was recommended as the most qualified CMAR and was awarded a Pre-Construction Services contract on 10/7/2023. McCarthy Building Companies has performed pre-construction services during the design development including reviewing the design for constructability, preparing cost estimates, and developing the project schedule and phasing.

Community Impact – No direct impact to the community is anticipated as the work will be contained entirely within the SEWRP site.

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

### **Alternatives**

An alternative to the approval of this 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 project's complexity including phasing of the work to maintain the operation of the plant during construction. The majority of all work in this project will be competitively bid by McCarthy to multiple subcontractors, and staff will ensure that Mesa based businesses, including affiliated business, are given an opportunity to bid on the work.

Another alternative is to not perform the work. This is not recommended due to equipment reliability concerns and given the critical schedule needs of this project to continue operation of the plant.

### **Fiscal Impact**

The total authorized amount recommended for this project is \$4,141,752.67, based upon a GMP of \$3,765,229.70, plus an additional \$376,522.97 (10%) as a change order allowance. This allowance will only be utilized for approved change orders.

This project is funded by Utility Systems Revenue Obligations.

### **Coordinated With**

The Water Resources Department concurs with this recommendation.