



City Council Report

Date: November 20, 2023
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Water Transfer Station No. 2 Upgrades
City Project No. CP0830PS08
Council District 5

Purpose and Recommendation

The purpose of this report is to present the third Guaranteed Maximum Price (GMP No. 3) for the Water Transfer Station No. 2 (TS2) Upgrades project (See Exhibit “A” for project location).

Staff recommends that Council award a contract for this project to J.R. Filanc Construction, Inc. in the amount of \$4,159,508.09 (GMP No. 3) and authorize a change order allowance in the amount of \$207,975.40 (5%).

Background

TS2 is located on Brown Road west of Power Road and transfers water between the Falcon Field (FF) service zone and the Brown Road Water Treatment Plant (BRWTP). TS2 is also used to pump water into the BRWTP reservoirs during BRWTP shutdowns, to accommodate the Central Arizona Project (CAP) canal dry-ups, maintenance, or other similar needs.

The existing TS2 pump station was constructed in 1990 and has reached the end of its service life. This third of three GMPs will include the installation of all the pump station mechanical equipment, electrical equipment, fiber optic equipment, and an access manway.

Discussion

In June of 2022, staff received one “Statement of Qualifications” (SOQ) from a contractor proposing to act as the CMAR for this project. Based on an evaluation of this SOQ, J.R.

Filanc Construction, Inc., was recommended as the most qualified CMAR and was awarded a Pre-Construction Services contract. J.R. Filanc Construction, Inc. is performing pre-construction services including review of the design for constructability, preparation of cost estimates, and development of a project schedule and phasing.

This approval is for the third of three GMP's for this project. GMP No. 1 included the pipe inspection and installation of a dewatering standpipe. GMP No. 2 included the pre-purchase of the long lead items which will be installed as part of this GMP No. 3. Work will be completed during a system shutdown starting February 2024 through end of September 2024.

The table below illustrates the anticipated time line of GMP's for Council review.

GMP	Scope of Work	Anticipated Date
GMP No. 1	Inspection of the existing 48-inch waterline on Brown Road and installation of dewatering standpipe.	Approved November 21, 2022
GMP No. 2	Purchase and temporary storage of equipment and materials, including pumps, electrical equipment, and valves.	Approved March 20, 2023
GMP No. 3	Installation of equipment and the remaining work of Transfer Station No. 2.	November 20, 2023

Once underway, the overall construction of this project is anticipated to last no more than 13 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 (DBB) method. This is not recommended due to the need of sequential work and procurement of materials, which have an estimated 65 week lead time (from order to delivery of the materials).

Another alternative is to not perform the work. This is not recommended due to reliability concerns and given the critical need of this upgraded facility to reliably provide water for Mesa residents.

Fiscal Impact

The total authorized amount recommended for this project is \$6,261,713.40, based upon a GMP of \$4,159,508.09, plus an additional \$207,975.40 (5%) as a change order allowance. This allowance will only be utilized for approved change orders.

GMP	Amount
GMP No.1	\$766,829.34
GMP No. 2	\$1,335,375.97
GMP No. 3	\$4,159,508.09
TOTAL	\$6,261,713.40

This project is funded by Water Utility Systems Revenue Obligations.

Coordinated With

The Water Resources Department concurs with this recommendation.