



City Council Report

Date: July 11, 2022
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Ellsworth Road and Gateway Boulevard Utility and Roadway
Improvements (GMP No. 1)
City of Mesa Project No. CP1015
Council District 6

Purpose and Recommendation

The purpose of this report is to present the first Guaranteed Maximum Price (GMP) for the proposed Ellsworth Road and Gateway Boulevard Utility and Roadway Improvements, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location.)

GMP No. 1 includes procurement of critical materials and other associated tasks.

Staff recommends that Council award a contract for GMP No. 1 to Sundt Construction, Inc., in the amount of \$4,714,052 (GMP) and authorizing a change order allowance in the amount of \$471,405 (10%).

Background

In October 2021, Council approved an Intergovernmental Agreement (IGA) with Phoenix-Mesa Gateway Airport Authority (PMGAA) to construct City roadway and utility infrastructure to aid in the development of the east side of the Phoenix-Mesa Gateway Airport.

This GMP No. 1 will purchase water, sewer, and storm drain pipe that will be installed with a future GMP to serve developments in the northeast portion of the PMGAA airport and along Ellsworth Road. Additional GMP's for the remaining construction will be presented to City Council at a later date.

Early procurement of the materials is necessary due to the long lead times for these materials and to mitigate rising material costs. This will also help the City meet the

obligation to complete these improvements in spring/summer of 2023, per the executed IGA with PMGAA.

Discussion

In May 2022, Staff received four “Statements of Qualifications” (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of these SOQ’s, Sundt Construction, Inc. was recommended as the most qualified CMAR and was awarded a Pre-Construction Services Contract on July 5, 2022. Sundt is performing pre-construction services during the design development including reviewing the design for constructability, preparing cost estimates, and developing the project schedule and project phasing plan.

Community Impact – No impacts to the public are anticipated with this GMP No. 1, since no construction will occur.

Once underway, construction of this project is anticipated to last no more than 18 months.

Alternatives

An alternative to the approval of this GMP contract would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the complexity of the project and due to long lead times of materials. Also, all the materials in this GMP has been and will continue to be competitively bid by Sundt Construction, Inc 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 because without this project, the City would not meet its obligations in the IGA.

Fiscal Impact

The total authorized amount recommended for this contract is \$5,185,457, based upon a GMP of \$4,714,052 plus an additional \$471,405 (10%) as a change order allowance. This allowance will only be utilized for approved change orders.

This project is funded by the Utility Systems Revenue Obligations, 2020 Street Bonds, and the Transportation fund.

Coordinated With

The City of Mesa Water Resources Department and Transportation Department concur with this recommendation.