



# City Council Report

**Date:** July 3, 2023  
**To:** City Council  
**Through:** Marc Heirshberg, Deputy City Manager  
**From:** Beth Huning, City Engineer  
Lance Webb, Assistant City Engineer  
**Subject:** Central Mesa Reuse Pipeline GMP 2  
City Project No. CP0896  
Council District 2

## Purpose and Recommendation

The purpose of this report is to present the second Guaranteed Maximum Price (GMP) for the proposed Central Mesa Reuse Pipeline (CMRP) Project, a Construction Manager at Risk (CMAR) project. (Refer to Exhibit “A” for the project location).

GMP No. 2 includes the replacement of existing waterlines that are in conflict with the proposed alignment of the 36-inch CMRP. The waterlines require relocation prior to the construction of the 36-inch reuse pipeline installation.

Staff recommends that Council award a contract for this project to Garney Companies, in the amount of \$12,719,521 (GMP No. 2) and authorize a change order allowance in the amount of \$635,976.

## Background

The City of Mesa desires to utilize reclaimed water produced at the Northwest Water Reclamation Plant (NWWRP) as part of a water exchange agreement with the Gila River Indian Community (GRIC). Construction of a 10.5-mile reclaimed water pipeline will allow the City to meet the requirements of this agreement to convey this water to the GRIC.

## Discussion

In July 2021, Staff received three “Statements of Qualifications” (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of these SOQ’s, Garney Companies, Inc. was recommended as the most qualified CMAR and was awarded a Pre-Construction Services contract on June 20, 2022. Garney has performed pre-construction services during design development including reviewing the design for

constructability, prepare cost estimates, and develop the project schedule, and project phasing plan.

Once underway, the overall construction for the various aspects of this project is anticipated to last no more than 24 months.

This GMP is the second of a series of GMP's relating to CMRP 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>	<b>Anticipated Cost</b>
Central Mesa Reuse Pipeline – GMP 1	Purchase of pipe and associated materials	March 6, 2023	\$13,098,750
Central Mesa Reuse Pipeline – GMP 2	16-inch waterline relocation within the south half of the project	July 3, 2023	\$13,355,497
Central Mesa Reuse Pipeline – GMP 3	36-inch pipeline construction within the south half of the project	July 10, 2023	\$48,602,610
Central Mesa Reuse Pipeline – GMP 4	Purchase of long lead items for pump station and plant improvements	August 21, 2023	\$11,097,030
Central Mesa Reuse Pipeline – GMP 5	16-inch waterline relocation and 36-inch pipeline construction within the north half of the project	Sept 18, 2023	\$65,116,800
Central Mesa Reuse Pipeline – GMP 6	Construction of intermediate pump station and plant improvements	October 2, 2023	\$20,664,000
Total anticipated cost			\$171,934,687

Community Impact –

Temporary impacts during construction will include traffic control restrictions along the project route. Construction will be phased to limit traffic impacts and maintain public access to businesses and local streets where feasibly possible. Additional street impacts include potential left turn restrictions, lane closures, and other temporary restrictions necessary to facilitate the construction of the pipelines.

**Alternatives**

An alternative to the approval of this GMP contract for this CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the need for the additional services provided by a CMAR contractor during the design

phase. The proposed Central Mesa Reuse Pipeline project will require extensive on-site investigation, construction sequencing, and constructability analysis by the contractor throughout the design phase.

Another alternative is to not perform the work. This is not recommended because without this project, credits for water exchange will not be available for the City to be able to expand water production and it would reduce the ability of the City to meet future water demands to support its growth in southeast Mesa.

### **Fiscal Impact**

The total authorized amount recommended for this contract is \$13,355,497, based upon GMP No. 2 of 12,719,521, plus an additional \$635,976 (5%) as a change order allowance. This allowance will only be utilized for approved change orders.

This project is funded by the Water Utility Systems Revenue Obligations.

### **Coordinated With**

The Water Resources Department concurs with this recommendation.