



City Council Report

Date: October 3, 2022
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Greenfield Water Reclamation Plant (GWRP) Blower System Electrical Improvements
City Project No. CP0625GN01
Council District: 6

Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP No.1) for the early procurement of the long lead items for the Greenfield Water Reclamation Plant (GWRP) Blower System Electrical Improvements project (Refer to Exhibit "A" and Exhibit "B" for the project location).

GMP No. 1 includes procurement of long lead items that would cause a delay to the project's end date if the procurement was delayed until a later GMP. Long lead items include electrical equipment such as medium voltage switchgears, transformers, medium voltage vacuum interrupter switchgears, RVSS (Reduced Voltage Soft Starter), ATC (Automatic Transfer Controller), and 480V Switchgear. Staff recommends that Council award a contract for this project to Ludvik Electric in the amount of \$3,319,449.54 (GMP No.1) and authorize a change order allowance in the amount of \$165,972.48 (5%). GMP No.1 is the first of two GMPs for the project. GMP No. 2 will be presented to Council at a future date.

Background

The City of Mesa, Town of Gilbert, and Town of Queen Creek (the "Owners") jointly own the GWRP. The Owners seek to provide electrical improvements for redundancy in the Blower Building at the GWRP. The Blower Building provides air to the Aeration Basins which are essential to treat the plant influent wastewater.

The Blower Building electrical system needs to be upgraded due to aged equipment that is no longer supported and also the lack of a redundant feed for the electrical system which can disrupt the operation in the case of a power outage.

Discussion

In June of 2021, Staff received one (1) "Statements of Qualifications" (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of the SOQ, Ludvik Electric was recommended as the most qualified CMAR and was awarded a Pre-Construction Services contract in December 2021. Ludvik Electric 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.

A GMP No.2 for the Construction Phase will be developed and presented to Council for review and approval at a future date.

Community Impact – The GMP No.1 contract will allow for the project to avoid potential material cost increase and to procure major equipment within a reasonable scheduled time. This project will allow the GWRP to continue to reliably treat wastewater by reducing the risk of the disruption of the plant process due to power interruptions or outages.

Once underway, construction of this project is anticipated to last no more than 15 months.

Alternatives

An alternative to the approval of this GMP No.1 contract is to package it with the GMP No. 2 Construction Phase contract. This is not recommended due to current industry potential for material cost increases, lead times, and shipment delays.

Another alternative is to not perform the work. This is not recommended because the unsupported equipment may not be serviceable and there may be process shutdowns, due to power disruptions.

Fiscal Impact

The total authorized amount recommended for this project is \$3,485,422, based upon a GMP of \$3,319,449.54 plus an additional \$165,972.48 (5%) as a change order allowance. This allowance will only be utilized for approved change orders.

This project is funded by the Greenfield Water Reclamation Plant Joint Venture Fund, with contributions coming from its members based on usage. Funding will be split amongst the three partners, Mesa: \$1,387,529.91 (41.8%); Gilbert: \$1,321,140.92 (39.8%); and Queen Creek: \$610,778.72 (18.4%).

Coordinated With

The Water Resources Department concurs with this recommendation. Also, this project is being coordinated with the Towns of Gilbert and Queen Creek as partners in the Greenfield Water Reclamation Plant Intergovernmental Agreement, dated August 7, 2018.