



City Council Report

Date: November 21, 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 Improvement
(GMP No. 3)
City of Mesa Project No. CP1015
Council District 6

Purpose and Recommendation

The purpose of this report is to present the third Guaranteed Maximum Price (GMP No. 3) for the Ellsworth Road and Gateway Boulevard Utility and Roadway Improvements project, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location.)

GMP No. 3 includes construction of the roadway and utility improvements for Aviation Way and Gateway Boulevard and the waterline along the west side of Ellsworth Road from State Route (SR) 24 to Pecos Road.

Staff recommends that Council award a contract for GMP No. 3 to Sundt Construction, Inc., in the amount of \$35,421,129 (GMP) and authorize a change order allowance in the amount of \$1,771,056 (5%).

Background

In October 2021, Council approved an Intergovernmental Agreement (IGA) with Phoenix-Mesa Gateway Airport Authority (PMGAA) to construct roadway and utility infrastructure for the proposed Gateway Boulevard and Ellsworth Road to aid in the development of the east side of the Phoenix-Mesa Gateway Airport. On July 11, 2022, the Council approved a second IGA committing the City to construct the proposed Aviation Way. The IGA specifies that PMGAA will fully reimburse the City all costs associated with Aviation Way roadway and utility improvements.

GMP No. 1 for early pipe procurement was approved on July 11, 2022, and GMP No. 2 approved on October 17, 2022 included electric equipment procurement and installation. This GMP No. 3 includes the remaining work to construct Gateway Boulevard, Aviation

Way, and the water and sewer facilities to meet the requirements of the IGA with PMGAA. An additional GMP will be issued for the roadway improvements along Ellsworth Road at a future time.

This GMP No. 3, along with the previously approved GMPs, will ensure the City meets the obligation to complete the 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 – Impacts to the public during construction include traffic restrictions for the waterline construction along Ellsworth Road. The contractor and the City will notify the businesses and public to help limit the impacts to the public.

Once underway, construction of this project is anticipated to last no more than 14 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 long lead times of materials. Also, the materials in this GMP have been 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 \$37,192,185, based upon a GMP of \$35,421,129 plus an additional \$1,771,056 (5%) as a change order allowance. This allowance will only be utilized for approved change orders.

PMGAA will reimburse the City for all costs associated with Aviation Way roadway and utility improvements. PMGAA’s estimated share of GMP No. 3 is \$5,120,200, including a

5% change order allowance for approved change orders. Once the project is completed, the project cost will be validated and PMGAA will pay the actual cost of their portion of the project.

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.