



City Council Report

Date: March 6, 2023
To: City Council
Through: Marc Heirshberg, Deputy City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Central Mesa Reuse Pipeline GMP 1
City Project No. CP0896
Council Districts 1 and 2

Purpose and Recommendation

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

GMP No. 1 includes the early procurement of 36-inch diameter concrete cylinder pipe and associated materials for the new pipeline.

Staff recommends that Council award a contract for this project to Garney Companies, in the amount of \$12,475,000 (GMP No. 1) and authorize a change order allowance in the amount of \$623,750.

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, construction of this project is anticipated to last no more than 24 months.

This GMP is the first of a series of GMP's relating to Central Mesa Reuse Pipeline work. The table below illustrates the anticipated timeline of future GMP's for Council review.

| Project | Scope of Work | Anticipated Date |
|-------------------------------------|---|-------------------------|
| Central Mesa Reuse Pipeline – GMP 1 | Purchase of pipe and associated materials | March 6, 2023 |
| Central Mesa Reuse Pipeline – GMP 2 | Pipeline and related construction | May, 2023 |

Community Impact –

No impacts are expected as this initial contract only includes the purchase of pipe and associated materials. Temporary impacts during construction of the future GMP contracts will include traffic control along the project route. Construction will be phased to limit traffic impacts. Public access will be maintained to businesses and local streets as required per contract documents. Additional street impacts include potential left turn restrictions, lane closures and other temporary restrictions.

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 meet future water demands in the City.

Fiscal Impact

The total authorized amount recommended for this contract is \$13,098,750, based upon GMP No. 1 of \$12,475,000, plus an additional \$623,750 (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.