



City Council Report

Date: February 5, 2018
To: City Council
Through: Kari Kent, Assistant City Manager
From: Beth Huning, City Engineer
Marc Ahlstrom, Assistant City Engineer
Subject: Greenfield Water Reclamation Plant, Phase III Expansion
Construction Services Contract (GMP No. 2)
City Project No. CP0067
District-Citywide

Purpose and Recommendation

The purpose of this report is to present the Guaranteed Maximum Price (GMP) No. 2 for the Greenfield Water Reclamation Plant (GWRP) Phase III Expansion, a Construction Manager at Risk (CMAR) project. (See Exhibit "A" for project location.)

GMP No. 2 includes the remaining scope of work necessary to complete the project. Staff recommends that Council award a contract for the completion of this project to McCarthy Building Companies in the amount of \$120,302,333.00 (GMP No. 2) and authorize a change order allowance (5%) in the amount of \$6,015,117.00. GMP No. 2 is the second of two GMPs for the project.

Background

The City of Mesa, Town of Gilbert, and Town of Queen Creek (the "Owners") seek to provide an additional 14 million gallons per day (mgd) annual average day flow (AADF) of liquids and solids treatment capacity at the existing GWRP, complete with the required infrastructure, technology, and environmental features to ensure a reliable, efficient, and expanded plant to meet the current and future demands of the Owners. The 14 mgd expansion will be apportioned 10 mgd to Mesa and 4 mgd to the Town of Gilbert.

The existing plant was constructed in two phases. The first phase provided a lift station to transfer sewage and was completed in 1999. The second phase of the plant converted the lift station into the current treatment plant with the capacity to treat 16 mgd AADF of liquids and 24 mgd AADF of solids equivalent (Phase II Expansion).

Discussion

In December 2014, staff received three “Statements of Qualifications” (SOQ) from contractors proposing to act as the CMAR for this project. Based on an evaluation of the SOQ’s and subsequent interviews, McCarthy Building Companies was recommended as the most qualified CMAR, and was awarded a Pre-Construction Services contract. McCarthy Building Companies 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.

On September 18, 2017, the City Council awarded a contract for GMP No.1 in the amount of \$46,764,110 with a change order allowance in the amount of \$1,402,923 (3%) for a total authorization of \$48,167,033 to McCarthy Building Companies to begin constructing the Phase III Expansion of the Greenfield Water Reclamation Plant. GMP No. 1 included a portion of the earthwork, concrete and equipment purchases. Separating the project into two GMPs accelerated construction and resulted in cost savings through early procurement of some commodities and equipment. City staff and McCarthy Building Companies recently completed negotiations for GMP No. 2.

The construction of this project is anticipated to last approximately 33 months, finishing in the summer of 2020.

Alternatives

An alternative to the approval of a Construction Services contract for this CMAR would be to construct this project using the traditional Design/Bid/Build method. This is not recommended due to the complexity of the project. Another alternative would be not to construct the project; however, this would curtail growth by restricting development in the region. Also, constructing an additional stand-alone facility which would be costlier.

Fiscal Impact

The total authorized amount recommended for the second GMP for this project \$120,302,333.00 (GMP No. 2) and authorize a change order allowance (5%) in the amount of \$6,015,117.00 for a total authorization of \$126,317,450.00. This change order 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. Mesa’s portion of this GMP is \$72,229,521.00 and is funded by 2014 authorized Wastewater bonds.

Coordinated With

The Water Resources Department concurs with this recommendation. Also, this project was coordinated with the Towns of Gilbert and Queen Creek as partners in the Greenfield Water Reclamation Plant Intergovernmental Agreement dated June 22, 2004.