



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 2/7/2013
Agenda Item: 5B1

ACTION: Award a construction manager at risk construction services contract with Achen-Gardner Construction, L.L.C. and a professional services construction management contract with C. Williams Construction Engineering, Inc. for ASU perimeter metering and a new water main on Rural Road between University Drive and Apache Boulevard.

FISCAL IMPACT: Total construction manager at risk construction services contract amount is \$3,214,933.77, construction management contract amount is \$117,840, and project contingency amount is \$320,000. Total cost for construction of this project, including materials testing and other related costs, is \$3,959,465.77. The remaining available balance of \$3,404,568.08 has been approved and appropriated in Capital Improvement Fund Nos. 3203519, Perimeter Meter ASU Main Campus, and 3203539, Waterline Upgrades - Rural Road (University Drive to Apache Boulevard). The balance needed of \$554,897.69 is available in Water/Wastewater contingency funds. These amounts will be transferred to Capital Improvement Fund No. 3204581 to fund these contracts and related costs.

RECOMMENDATION: Award construction manager at risk construction services contract with Achen-Gardner Construction, L.L.C. and a professional services construction management contract with C. Williams Construction Engineering, Inc., approve project contingency, and approve the use of Water/Wastewater contingency funds to cover the additional project costs.

BACKGROUND INFORMATION: The scope of work for the CMAR construction services contract will include installation of a new water main along Rural Road, from University Drive to Apache Boulevard and installation of water meters around the perimeter of the ASU main campus bounded by University Drive, Rural Road, Apache Boulevard, and Mill Avenue. The new water main will be approximately 2,600 feet of 16-inch ductile iron pipe. It will replace an aging 14-inch cast iron pipe system. The water main work will include new fire hydrants, gate valves, fire sprinkler connections, meters, service lines and connections to the water distribution system. The new 16-inch water main will be along a highly used section of Rural Road on the east side of the ASU main campus and crossing the light rail transit tracks. This portion of the project is part of an ongoing effort to improve the City's water distribution system in order to meet current water demands and reduce overall maintenance costs. The water meter work will include vaults, backflow prevention devices, and new piping configurations where necessary. There are numerous water mains throughout the campus that are not accessible or maintainable. Perimeter metering will enable the metering of all water used on the main campus; and reduce the risk of collateral damage. Installation of the perimeter metering will enable the City to more accurately measure and bill ASU for the water that is used on campus.

The original cost estimates for Capital Improvement Fund Nos. 3203519, Perimeter Meter ASU Main Campus, and 3203539, Waterline Upgrades - Rural Road (University Drive to Apache Boulevard) were developed prior to 2009 and then funded in later fiscal years. The time gap between the development of the original cost estimate and the funding approval, combined with time spent in design and utility locating, compounded by escalating material costs is the reason why Water/Wastewater contingency funds in the amount shown above are being requested to fund construction of this project.

Staff is recommending CMAR as the preferred delivery method for this project. At the start of each project, Public Works, in collaboration with the client department, uses a 21 question discovery check list to establish the preferred delivery method by analyzing various criteria including the degree of urgency, health and safety concerns, security requirements, and legal mandates or obligations. The CMAR delivery method is a multi-step process, initially focusing on qualifications, but also ensuring the City of Tempe is securing a fair price for each project by researching unit costs based on industry standards, historical pricing, professional experience, and independent cost estimates when appropriate. The project costs are all open book including negotiated percentages for over-head and profit. Also, when the CMAR contractor uses subcontractors and suppliers, they are required to obtain bids in a method required by the City and the bid results are submitted as part of their guaranteed maximum price (GMP).

Achen-Gardner Construction, L.L.C. was selected by a review committee as the most qualified firm for these services using a process pursuant to A.R.S. § 34-603. The qualifications based selection process includes evaluation of each firm's statement of qualifications in response to our request for qualifications (RFQ); holding selection panel interviews with at least three firms based on selection criteria and relative weight of selection criteria as outlined in the RFQ, including evaluation of the contractor's expertise, qualifications of key personnel and project experience; selecting the final list of contractors in order of preference; and negotiating the guaranteed maximum price (GMP). Staff has negotiated the GMP construction manager at risk construction services fee with Achen-Gardner Construction, L.L.C. and considers it reasonable for the scope of services.

The scope of work for the professional services construction management contract will include monitoring of quality control and construction progress throughout the construction phase. C. Williams Construction Engineering, Inc. will also perform field inspections, provide daily reports, and assist the City's construction manager with coordination efforts and project close out.

Staff has negotiated the construction management fee with C. Williams Construction Engineering, Inc. and considers it reasonable for the scope of services. C. Williams Construction Engineering, Inc. was selected from our professional services consultant on-call list based on a qualifications based selection process, pursuant to Arizona Revised Statutes § 34-103, which includes evaluation of the firm in each selected discipline based on the following selection criteria and relative weights:

- 30% Overall capability and qualifications of the firm;
- 30% Relevant municipal project experience of the firm;
- 25% Qualifications and experience of the firm's key local staff, and;
- 15% Overall evaluation of the firm and its familiarity of local regulations.

Once the annual professional services on-call lists are established, consultants are utilized throughout the year based on how their expertise relates to our project needs.

The project contingency has been established at \$320,000, which is approximately ten percent (10%) of the construction contract amount, to cover possible unforeseen conditions during construction.

ATTACHMENTS: CMAR construction services contract, professional services construction management contract and exhibit A.

STAFF CONTACT: Andy Goh, Deputy PW Director/City Engineer (480) 350-8896

Department Director: Don Bessler, Public Works Director
Legal review by: Judi Baumann, Deputy City Attorney
Prepared by: Donna Rygiel, Engineering Contract Supervisor