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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 09/22/2016**  
**Agenda Item: 6A2**

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**ACTION:** Award a construction manager at risk construction services contract to PCL Construction, Inc. and a professional services contract to Dibble Engineering for the City of Tempe Water Storage Tank Rehabilitation on Hayden Butte at 0 East Rio Salado Parkway.

**FISCAL IMPACT:** The construction contract amount is \$3,587,841, the professional services contract is \$355,180, and the project contingency amount is \$360,000. Funds to cover these contracts and related costs are appropriated for fiscal year 2016/17 in the Capital Improvement Project No. 3204969, Water System Pumping Stations, Reservoirs & Tanks.

**RECOMMENDATION:** Award construction manager at risk construction services contract and a professional services contract.

**BACKGROUND INFORMATION:**

***Project History:***

The City has four welded steel tanks associated with its potable water system. Two tanks are located on Hayden Butte, one tank on Bell Butte, and one tank on Papago Butte. The welded steel water storage tanks have been in operation since 1949 and have been maintained and inspected regularly. In 2014, Greeley and Hansen and NCS Engineers evaluated each of the four tanks and prepared a rehabilitation report. The evaluation included exterior conditions, fill rates, venting, coatings, cathodic protection, piping, and safety requirements. Additionally, divers inspected the interior condition of the tanks identifying maintenance requirements not readily visible from the tanks' exterior. The report describes the repairs necessary to rehabilitate the water storage tanks so they can continue to be reliable.

The scope of work for this contract is the rehabilitation of the two Hayden Butte tanks. Dibble Engineering performed detailed design services on the site and have obtained the required permitting documents and approvals through the City Engineering Division, City Historic Preservation Office, Arizona State and Maricopa County Environmental Quality Departments, and the Salt River Pima and Maricopa Indian Communities.

***Scope of Work – CMAR Contract:***

The scope of work for the CMAR contractor is as follows:

- Removal and replacement of portions of the existing piping
- Removal of existing internal and external coatings and installation of new coatings
- Tank roof and structural rehabilitation
- New outfall drain pipe with surface rehabilitation
- Miscelaeous upgrades and repairs to the facility and adjacent electrical building

***Scope of Work – Professional Services Consultant Contract:***

Dibble Engineering will provide construction review and inspection services including attendance at pre-construction meeting, review of contractor's schedule and work plan, coordination of project permitting, construction site visits and inspections, review of monthly construction pay requests, and facilitating the development of as-built record drawings.

***Contract Type: Construction Manager at Risk construction services contract.***

***Procurement Method – CMAR Request for Qualifications:***

PCL Construction, Inc. was selected by a review committee as the most qualified firm for these services using a process pursuant to Arizona Revised Statutes § 34-603. The qualifications based selection process includes evaluation of each firm's statement of qualifications in response to the City's 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 PCL Construction, Inc. and considers it reasonable for the scope of services.

After review of the 21-point discovery checklist for the Alternative Project Delivery Method Justification, it was determined to utilize the CMAR procurement process specifically for this project for the following reasons:

- Security at the water storage tank facilities is paramount;
- Specialized trades are needed for lead paint abatement, coatings application, rock excavation and site rock containment;
- Each tank is located on buttes which are found sacred to the Salt River Pima Maricopa Indian Community and requires very specific sensitivity training; and,
- The rehabilitation will require a phased approach, according to priority needs, on a detailed schedule. Flexibility with schedule and process is imperative.

**Contract Type: Professional services consultant contract.**

**Procurement Method – On-call Consultant Short List:**

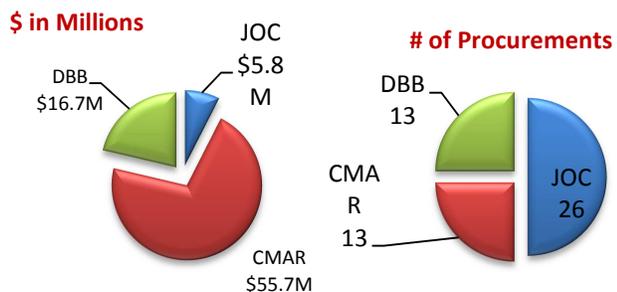
Dibble Engineering was selected from the Engineering Division’s On-call Consultant Short List based on the scope of work for this project, their familiarity with the project, and the specific expertise required for successful completion of this work. The Short List is established using a qualifications based selection process, pursuant to Arizona Revised Statutes (ARS) § 34-103. This selection process includes evaluation of the firms who apply for each discipline based on the following selection criteria and relative weights (ARS prohibits the use of pricing as a criterion for this qualifications based process):

- 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 Dibble Engineering was selected from the Short List, staff worked with them to finalize the scope of work and negotiate the design fee. The proposed labor rates submitted by Dibble Engineering were reviewed by staff and are consistent with industry standards.

Staff is providing a snapshot of the City's current CIP construction activity by procurement method:

CMAR- Construction Manager at Risk  
 DBB- Design, Bid, Build (low-bid)  
 JOC -Job Order Contract



**ATTACHMENTS:** CMAR Construction contract and Professional Services contract.

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