
**CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**

REVISED

**Council Meeting Date: 10/27/2016
Agenda Item: 6A3**

ACTION: Award a construction manager at risk construction services contract to Hunter Contracting Co. and a professional services contract to Carollo Engineers, Inc. for the filter rehabilitation at the Johnny G. Martinez Water Treatment Plant at 255 East Marigold Lane and for the filter rehabilitation and plant maintenance at the South Tempe Water Treatment Plant, Phase 2, GMP 3 at 6600 South Price Road.

FISCAL IMPACT: The construction contract amount is \$2,613,868, the professional services contract is \$80,022, and the project contingency amount is \$131,000. Funds to cover these contracts and related costs are appropriated for fiscal year 2016/17 in the Capital Improvement Project No. 3207499, Water Treatment Plant Asset Maintenance & Upgrades.

RECOMMENDATION: Award construction manager at risk construction services contract to Hunter Contracting Co. and professional services contract to Carollo Engineers, Inc.

BACKGROUND INFORMATION:

Project History:

This project was recommended as part of a previous engineering study to ensure operational reliability through proper maintenance and long term asset management of critical plant infrastructure. Design and Pre-Construction began 2 years ago and Construction began last year with GMP1 at JGMWTP, and this is GMP3 at STWTP.

Scope of Work:

This overall project involves inspections, evaluations and improvements of the dual medial filters at both of the City's water treatment plants. An engineering evaluation of the filter media, filter structures, piping and flow control equipment has been completed. Improvements currently underway include replacement of filter media at the end of its useful lifespan, installation of new filter backwash control valves, structural evaluations of the filter underdrain system and miscellaneous ancillary equipment upgrades necessary to maintain continued performance of the filters. The inspections and construction administration are also included within the GMP3.

Contract Type: Construction Manager at Risk construction services contract.

Procurement Method – CMAR Request for Qualifications:

Hunter Contracting Co. 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 construction manager at risk construction services fee with Hunter Contracting Co. 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 treatment facilities is paramount;
- The rehabilitation has a very limited window for the work to be completed as the plant will be shut down for the valve replacement. Flexibility with schedule and process is imperative;
- The project cannot be delayed to the subsequent shutdown in 2017 due to water quality and filter performance concerns.

Contract Type: Professional services consultant contract.

Procurement Method – On-call Consultant Short List:

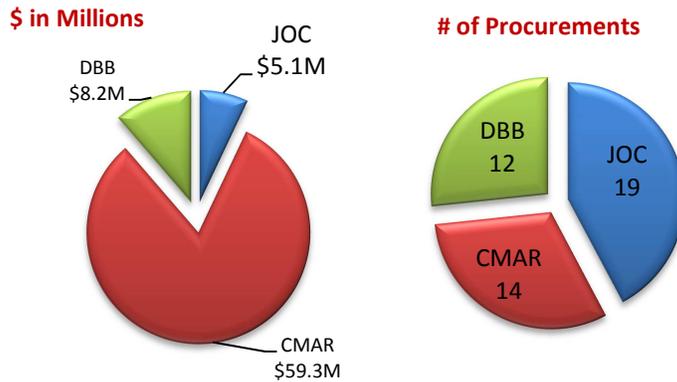
Carollo Engineers, Inc. was selected from the Engineering Division's On-call Consultant Short List based on the scope of work for this project, their familiarity with the project, and the specific expertise required for successful completion of this work. The Short List is established using a qualifications 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 Carollo Engineers Inc. 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 Carollo Engineers, Inc. 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 (REVISED).

STAFF CONTACT(S): Marilyn DeRosa, Deputy Public Works Director/ Interim City Engineer, (480) 350-2660

Department Director: Don Bessler, Public Works Director
Legal review by: Chuck Cahoy, Deputy City Attorney
Prepared by: Jennifer Svetichan, Public Works Supervisor - Admin