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

**Council Meeting Date: 12/04/2014**  
**Agenda Item: 6A2**

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**ACTION:** Award a construction manager at risk construction services contract to Felix Construction Company for the construction of new production well no. 16 to be located at 8690 South McClintock Drive.

**FISCAL IMPACT:** The total contract amount is \$1,117,764.29 and the project contingency amount is \$112,000. Funds to cover this construction manager at risk contract and related costs are appropriated for fiscal year 2014/15 in Capital Improvement Project No. 3200019, New Production Wells.

**RECOMMENDATION:** Award construction manager at risk contract.

**BACKGROUND INFORMATION:** The scope of work for this contract is for construction manager at risk (CMAR) services for the first phase of construction of a new municipal production well no. 16. Construction of this well is part of an ongoing effort by the Water Utilities Division to add new groundwater production and recovery well capacity to the Tempe municipal water distribution system for back-up water production, supplemental drought supply, water quality blending, and emergency preparedness.

Well no. 16 will be located at 8690 South McClintock Drive, which is near the northwest corner of McClintock Drive and Warner Road. This first phase of construction will include boring, geophysical logging, well drilling, well development, all underground outfitting of the well itself, sound abatement, and pump-to-waste piping. The second phase of this project, which will occur in mid-2015, to equip the well for potable water production pumping will include enclosing the site with a security wall constructed of concrete masonry unit block along with access gates and lighting; constructing a block building to house the electrical and chlorination rooms; grading the site to provide for onsite storm water retention; and equipping the well with piping for potable water supply, which will be introduced into the municipal water distribution system. This well is also planned to be the City's first automated production well.

CMAR was selected as the construction delivery method for this project based on several factors including a high degree of complexity requiring expertise in drinking water wells of this depth; health, safety, and security concerns because the well will be connected to the City's drinking water supply; and the critical and sensitive location near a residential neighborhood and neighboring businesses. The Water Utilities Division has invested \$130,000 and over one year to identify the location and acquire the property; therefore a failure in the well drilling or construction would result in a significant loss in both time and money. Because of these factors, City staff recommends CMAR as the project delivery method.

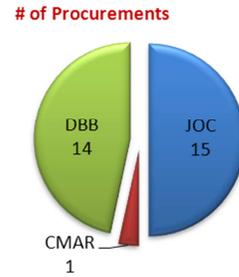
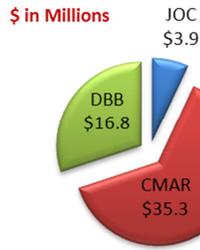
The project contingency has been established at \$112,000, approximately ten percent (10%) of the contract amount, to cover possible unforeseen conditions during construction.

Felix Construction Company 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 Felix Construction Company and considers it reasonable for the scope of services.

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

At the close of the fiscal year, staff will provide a year-end summary to include all construction activity procured during the year.



**ATTACHMENTS:** Contract and Exhibit A.

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