

AGENDA



Thursday, January 15, 2009

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION****Item No. 14**

Subject: Authorize the use of the Construction Manager at Risk method of contracting for facility construction for the Water Treatment Plant 4 as permitted by Subchapter H of Chapter 271 of the Texas Local Government Code.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

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Boards and Commission Action: To be reviewed by the MBE/WBE and Small Business Council Subcommittee on January 13, 2009. Reviewed by the Water and Wastewater Commission. Recommended by the Small Business Advisory Committee.

Subchapter H of Chapter 271 of the Texas Local Government Code allows municipalities solicitation options, upon approval of the governing entity, for construction of a facility other than Competitive Bidding. One of these options is Construction Manager at Risk (CM-R). To consider a construction contract delivery method other than traditional competitive bidding, the governing body of the municipality must, before advertising, approve the alternative method selected. The Water Treatment Plant 4 Project is being recommended for this methodology.

The selection process includes a two-phase approach including a Request for Qualifications and Request for Proposals. Phase one, the Request for Qualifications, results in a selected short-list of qualified firms to continue to phase two of the process. Phase two, the Request for Proposals, results in a recommended firm for Council's approval.

CM-R benefits the WTP4 project for several reasons. Staff will have the ability to recommend the CM-R based on qualifications and best value. The CM-R will provide pre-construction services during design, working collaboratively with the City and its Consultants, reducing the likelihood of additions or deletions of construction scope during construction and unforeseen change orders. The CM-R will be responsible for coordinating all aspects of the construction of the WTP4 facilities, reducing the potential for claims against the City due to interdependent construction contracts. The CM-R will provide one, or several, Guaranteed Maximum Price (GMPs) which the City can negotiate, accept, or reject. This increases budgetary control for the City. Standard bidding time for construction contracts will likely be reduced resulting in reduced City administrative time, increases slack in the schedule, and ultimately results in a higher assurance to maintain the overall project schedule for fully operational facilities.

Pre-construction phase is anticipated to start in the fall of 2009 and continue until approximately spring of 2010. Construction under the CM-R is anticipated to start in fall of 2010 and continue until summer 2014. The pre-construction phase services will include project specific goals established for subcontracting opportunities through the standard M/WBE procurement program process. Future subcontracting opportunities and project specific goals will also be established for the construction phases through the standard M/WBE procurement program process.

The Work consists of the CM-R for the construction of a new water treatment plant facility including the intake, plant, pump stations and conveyance for both the raw and finished water. The initial capacity of the water treatment facility is 50 MGD with future expansion planned to 300 MGD. The environmental conditions inherent to the location of the WTP4 facilities will be considered when designing, constructing, and operating the WTP4 facilities. During construction there will be a significant amount of coordination and communication with local agencies, boards/commissions, and other stakeholders. The owner has selected several Design Teams for this project. As part of the pre-construction phase, the CM-R will be required to work closely with the Design Teams and Environmental Commissioning Consultants (ECC) to provide quality assurance-quality control and constructability services on design products. The Contractor shall work collaboratively with all project participants including the Design Teams, City of Austin (COA) Staff, ECC, and the Project Team. The design teams and City Staff are currently communicating with identified stakeholders about the design and future construction plans for the project.

Staff has developed criteria for this solicitation, which are attached, that focus on the unique nature of this project, including the complexity of the scope of work, the environmental concerns with the site, and the inclusion of small businesses in the construction. The solicitation will occur in two phases, a request for qualifications to develop a short list of qualified firms and then a subsequent request for proposals from those firms. It is anticipated that the solicitation will be issued in January and Council action on the CM-R will take place in the Summer of 2009.