

AGENDA



Thursday, November 18, 2010

**Contract and Land Management
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 5

Subject: Authorize the negotiation and execution of all required Work Authorization amendments for the remainder of the construction phase services with MHW CONSTRUCTORS, INC., Broomfield, CO., construction manager-at-risk for the Water Treatment Plant No. 4 project, and authorize funding in the amount of \$299,758,773, which is the remaining balance of the Construction Cost Limitation of \$359,000,000 for all remaining construction phase services for the Water Treatment Plant No. 4 project.

Amount and Source of Funding: Funding is available in the Fiscal Year 2008-2009 Capital Budget of the Austin Water Utility.

Fiscal Note: A fiscal note is attached.

For More Information: Stacie Long 974-7172; Bill Stauber, 972-0290; Rosie Truelove 974-3064; Sarah Terry 974-7141

MBE/WBE: The Construction Manager at Risk contract and approved Amendments have been awarded in compliance with Chapter 2-9A of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). To date, goals have been exceeded by MWH Constructors, Inc. for Preconstruction Phase Services and all Work Packages making up the three existing Amendments. All future Work Packages for subsequent Amendments will contain MBE/WBE goals and compliance will be required.

Boards and Commission Action: Not recommended by the Water and Wastewater Commission.

Prior Council Action: November 18, 2010 - Consideration of approval of Work Authorization Amendment GMP 3C for Work Packages S-303 Filters and Upflow Clarifiers 1 and 2 and S-305 Walls, Conveyances, and Miscellaneous Site Work; June 10, 2010 - Approval for Work Authorization Amendment GMP 3B for Early Out Site Excavation, Clearwells, and Clarifiers; May 27, 2010 - Approval for Work Authorization Amendment GMP 3A for Early Out Equipment; August 6, 2009 - Approval to negotiate and execute the Construction Manager at Risk Agreement with MWH Constructors, Inc; January 15, 2009 - Approval for use of Construction Manager at Risk Alternative Project Delivery Method.

PROJECT STATUS:

The objective of this project is to provide a municipal water treatment facility for the City of Austin. The work to be performed consists of construction of a new water treatment plant facility including the intake, plant, pump stations and conveyance for both raw and finished water.

Two GMP (Guaranteed Maximum Price) Work Authorization Amendments have been approved by Council under the Construction Manager at Risk Agreement are well underway and they include 1) Early-Out Major Equipment procurement; and 2) Site Excavation, Clearwells and Clarifiers. The third Work Authorization Amendment pending Council consideration on November 18, 2010 is for Work Packages S-303 Filters and Upflow Clarifiers 1 and 2 and S-305 Walls, Conveyances, and Miscellaneous Site Work.

The amounts currently authorized by Council for the Construction Manager at Risk Agreement with MWH Constructors, Inc. include:

- \$5,385,000 for Preconstruction Phase Services
- \$7,503,114 (GMP 3A) for the first Work Authorization Amendment
- \$22,808,997 (GMP 3B) for the second Work Authorization Amendment
- \$23,544,116 (GMP 3C) for the third Work Authorization Amendments pending Council consideration on November 18th Agenda

\$299,758,773 is the total remaining in the Construction Cost Limitation of \$359,000,000 for the Water Treatment Plant No. 4 Construction Manager at Risk Contract.

Pending construction within the Construction Manager at Risk Agreement consists of six remaining Guaranteed Maximum Price proposals which include the following work packages: •GMP 1–Raw Water Intake and Raw Water Tunnels (Bid Phase)

- GMP 2-Raw Water Pump Station Construction (Design Complete)
- GMP 3D-WTP Washwater, Solids, Lime and Chemical CSM's (Bid Phase)
- GMP 3E-WTP Underground Mechanical and Electrical, Electrical Building and Maintenance Building (Design Complete)
- GMP 4-Plant and Raw Water Pump Station Site Finishes (Design Complete) Medium Service Pump Station and Landscaping (30% Design Complete)
- GMP 5 -Finished Water Transmission System (30% Design Complete)

It would benefit the overall project schedule if the remaining construction work packages could progress as each design package was sufficiently complete. Pursuant to the terms of the Construction Manager at Risk Agreement, each Guaranteed Maximum Price Proposal submitted by MWH Constructors, Inc. will be evaluated by City staff and negotiated with the Construction Manager, as required. Each individual work package which makes up the Guaranteed Maximum Price Proposal will be thoroughly evaluated using the "Open Book" process. Cost estimates will be updated and reports consisting of project status and MBE/WBE participation to date will be reported to Council.

Construction bids received to date by MWH Constructors, Inc., and the overall design progress of Water Treatment Plant No. 4 components have continued to project within the Construction Cost Limitation stipulated within the Construction Manager at Risk Agreement. Remaining construction cost estimates in conjunction with the value engineering effort and ongoing constructability reviews, provide additional flexibility to meet the construction project budget of \$359,000,000. RECOMMENDATION:

Authorize the negotiation and execution of all required Work Authorization amendments for the remainder of the construction phase services with MWH CONSTRUCTORS, INC., Broomfield, CO., construction manager-at-risk for the Water Treatment Plant No. 4 project, and authorize funding in the amount of \$299,758,773, which is the remaining balance of the Construction Cost Limitation of \$359,000,000 for all remaining construction phase services for the Water Treatment Plant No. 4 project.

This authorization provides staff with authority to proceed as required with negotiating Guaranteed Maximum Price proposals and executing Work Authorization Amendments for the following construction services not-to-exceed the Construction Cost Limitation of \$359,000,000 stipulated in the Construction Manager at Risk Agreement with MWH Constructors, Inc. The remaining construction consists of the following:

- GMP 1–Raw Water Intake and Raw Water Tunnels (Bid Phase)
- GMP 2-Raw Water Pump Station Construction (Design Complete)
- GMP 3D-WTP Washwater, Solids, Lime and Chemical CSM's (Bid Phase)
- GMP 3E-WTP Underground Mechanical and Electrical, Electrical Building and Maintenance Building (Design Complete)

- GMP 4-Plant and Raw Water Pump Station Site Finishes (Design Complete) Medium Service Pump Station and Landscaping (30% Design Complete)

- GMP 5-Finished Water Transmission System (30% Design Complete) MBE/WBE PARTICIPATION: MWH Constructors, Inc. has consistently exceeded the MBE/WBE goals for the initial Preconstruction Phase Services and each of the three Work Authorization Amendments. MOVING FORWARD:

- Negotiations of the Guaranteed Maximum Price proposals submitted by MWH Constructors, Inc. will be negotiated in accordance with the Agreement and Open Book Process

- MBE/WBE Goals will be established for each of the remaining six work packages and Guaranteed Maximum Price proposals must meet those goals or provide documentation of Good Faith Efforts

- Staff will provide Council with reports to include project status, expenditures to date, and on MBE/WBE participation to date.