

## A G E N D A



## Recommendation for Council Action (CMD)

Austin City Council	Item ID:	19211	Agenda Number	8.
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Meeting Date: December 6, 2012

Department: Contract Management

## Subject

Authorize additional contract authority in the amount of \$13,500,000 plus \$2,000,000 owner contingency, for a total contract amount not to exceed \$374,500,000 for all remaining construction phase services in the Construction Manager at Risk Agreement with MWH CONSTRUCTORS, INC. for Water Treatment Plant No. 4. Related to Item # 4.

## Amount and Source of Funding

Funding is available in the Fiscal Year 2012-2013 Approved Capital Budget of the Austin Water Utility.

## Fiscal Note

A fiscal note is attached.

Purchasing Language:

Prior Council Action:

November 18, 2010 – Council approved negotiation and execution of all required Work Authorization Amendments for remaining construction phase services with MWH Constructors, Inc., and authorized funding in the amount of \$299,758,773; November 18, 2010 – Council approved 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 – Council approved Work Authorization Amendment GMP 3B for Early Out Site Excavation, Clearwells, and Clarifiers; May 27, 2010 – Council approved Work Authorization Amendment GMP 3A for Early Out Equipment; August 6, 2009 – Council approved negotiation and execution of the Construction Manager at Risk Agreement with MWH Constructors, Inc.; January 15, 2009 – Council approved use of Construction Manager at Risk Alternative Project Delivery Method.

For More Information: Stacie Long 974-7172; Bill Stauber, 972-0290; Denise Avery 972-0104; Lynda Williams 974-3066; April Shaw 974-7141.

Boards and Commission: Reviewed by Water and Wastewater Commission.

<b>Action:</b>	
<b>MBE / WBE:</b>	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, participation goals have been exceeded by MWH Constructors, Inc. for Preconstruction Phase Services and all 19 Work Packages. The remaining Work Packages will include MBE /WBE goals.
<b>Related Items:</b>	
<b>Additional Backup Information</b>	
<p>Nineteen subcontractor work packages are underway at Water Treatment Plant No. 4, two of which are substantially complete. Current construction activity includes the raw water intake and tunnels, raw water pump station, upflow clarifiers and clearwells, washwater handling facilities and pump station, plant-wide electrical improvements, yard piping and SCADA, and the Jollyville Transmission Main Tunnel. All work packages are progressing on schedule and substantial completion is expected in May 2014.</p> <p>The project team recently undertook a comprehensive review of the project to identify and analyze potential cost savings alternatives. This analysis resulted in an estimated \$12.1M in savings. These cost reduction measures include: 1) redesign of the Medium Service Pump Station to eliminate three finished water pumps and scale back the facility to support only those systems necessary for the 50 MGD treatment plant; 2) removal of a redundant raw water pump station electrical duct bank from the Bullick Hollow Road ductbank system; 3) transfer of responsibility for constructing site security from MWH Constructors to Austin Water Utility; and 4) release of project allowances which are no longer needed. While substantial, these cost reductions are not sufficient to keep the construction cost below the current \$359M authorization. Some valuable investments that were not included in the original project budget have contributed to the cost increase. These key investments include measures to minimize community disruptions and ensure that the project is protective of the environment.</p> <p>The current amount of the Construction Manager at Risk Agreement with MWH Constructors is \$354,011,488, which includes Preconstruction Phase Services, 19 construction work packages (including contingencies and allowances), and change orders to date. When considering the above-referenced cost reductions, the estimated peak authorization required to execute the remaining work packages is \$372.5M. An additional \$2M in owner contingency is also requested to cover unforeseen conditions as construction progresses. The project team expects the final contract amount to be lower than the \$374.5M authorization amount as construction packages complete and contracted contingencies are released. The final contract amount is estimated to be within the range of 2 – 3% higher than the currently authorized amount of \$359M.</p> <p>MWH Constructors, Inc. is located in Broomfield, CO.</p>	