



## Recommendation for Action

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**File #: 22-2423, Agenda Item #: 49.**

**7/28/2022**

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### **Posting Language**

Authorize negotiation and execution of a Construction Manager-at-Risk Agreement with MGC Contractors Inc. for preconstruction and construction phase services for the Walnut Creek Primary Clarifier and Flow Equalization Basin Rehab project in an amount not to exceed \$32,700,000.

[Note: This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 16.77% MBE, and 3.79% WBE participation.]

### **Lead Department**

Financial Services Department.

### **Managing Department**

Public Works Department.

### **Fiscal Note**

Funding is available in the Capital Budget of Austin Water.

### **Purchasing Language:**

Best Value to the City of one offer received.

### **Prior Council Action:**

March 3, 2022 - City Council authorized negotiation and execution of an amendment to the professional services agreement with Black & Veatch Corp. for professional engineering services for the Walnut Creek Primary Clarifier and Flow Equalization Basin Rehab project in the amount of \$4,100,000 for a total contract amount not to exceed \$5,100,000.

December 9, 2021 - Council approved the use of the Construction Manager-at-Risk alternative delivery method of contracting.

March 26, 2020 - City Council authorized negotiation and execution of a professional services agreement with Black & Veatch Corporation (staff recommendation) for Request for Qualifications Solicitation No. CLMP284 to provide engineering services for the Walnut Creek Wastewater Treatment Plant Primary Clarifier and Flow Equalization Basin Rehab project in an amount not to exceed \$1,000,000.

### **For More Information:**

Respondents to this solicitation, and their representatives, shall direct inquiries to Rolando Fernandez, 512-974-7749, Beverly R Mendez, 512-974-3596, or the Project Manager, Erik Kunkel, 512-974-7027.

### **Council Committee, Boards and Commission Action:**

To be reviewed by the Water and Wastewater Commission on July 20, 2022.

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**Additional Backup Information:**

The Walnut Creek Wastewater Treatment Plant (WWTP) receives wastewater flow from Austin Water's wastewater collection system. The plant was originally built in 1977. Over the years, the treatment plant has undergone numerous improvements and upgrades to modernize treatment methods as well as expand treatment capacity to 75 million gallons per day (MGD) with a two-hour peak flow of 165 MGD. Treated plant effluent is discharged into the Colorado River. A portion of the treated effluent is used for non-potable water on the plant site and supplies much of the City's Reclaimed Water program.

The purpose of this project is to rehabilitate and make improvements to the Primary Treatment Complex (PTC) No. 1, built in 1977, and PTC No. 2, was built in the late 1980s. Each PTC consists of two trains of primary clarifiers and in-line flow equalization basins (FEBs). Raw wastewater flows through the primary clarifiers, then continues to the in-line FEBs. Following the PTCs, the settled wastewater is pumped to secondary treatment for further treatment, and solids from the primary clarifiers are pumped to Hornsby Bend Biosolids Management Plant. Most of the mechanical and other components in PTC No. 1 and No. 2 are beyond their useful life and require replacement. This project will be delivered using the Construction Manager-at-Risk method. Several factors make Construction Manager-at-Risk the preferred delivery method, including constructability, schedule, and coordination with other projects on the site. The PTC structures are enclosed below grade, with limited access through doors and skylights, so contractor engagement during design will improve the constructability of the final plans. The project is primarily equipment replacement, so initiating procurement during design will reduce the overall schedule and allow better coordination with other projects on the site, including the expansion to 100 MGD.

The Construction Manager-at-Risk method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a Construction Manager-at-Risk firm to perform preconstruction and construction phase services. The role of the Construction Manager-at-Risk firm goes beyond performing general contractor services. The Construction Manager firm is under contract early in the design process to perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability and to optimize the design and control costs and budgets, and to provide quality assurance-quality control. After design, and before the Construction Manager firm begins construction, the City will negotiate and execute a Guaranteed Maximum Price (GMP) for the remainder of the work, including actual construction.

The Construction Manager-at-Risk firm is recommended by a City-staffed evaluation panel that evaluated and scored proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code Chapter 2269, the City will select a Construction Manager-at-Risk firm that will provide the "best value" to the City for preconstruction and construction services for the project.

Prior to entering into the Construction Phase, the City will establish Minority-owned Business Enterprise and Women-owned Business Enterprise goals for construction and the Construction Manager-at-Risk firm will submit a Compliance Plan meeting the construction goals or documentation detailing their good faith effort(s) to meet the established goals.

Notification of this Construction Manager-At-Risk project was sent to 1,150 companies on January 31, 2022. There was a mandatory pre-proposal meeting and site visit. Both meetings were mandatory due to the complexity of the project being underground and keeping the treatment plant operational. Six prime contractors attended, but only one contractor submitted a proposal. Staff inquired why the other five prime contractors did not submit a proposal. Feedback received indicated that contractors had their resources committed to meet the needs of other projects. One contractor expressed their desire to team up with another contractor but was unsuccessful in meeting the solicitation due date. Another company expressed they are teaming with primes to participate as a subcontractor when GMP packages are bid out. City staff evaluated this single proposal and conducted an interview with the contractor. The interview process reinforced the panel's decision to

recommend this contractor for award.

This construction contract is time sensitive and is critical to the improvement of the infrastructure stability of Austin's wastewater treatment system. Delay or deferral of this contract will require Austin Water's operation crews to perform additional operations and maintenance work at the PTCs until the units are replaced. Public impacts are not anticipated.

The contract allows 1095 calendar days for completion of this project. This project is located within the Walnut Creek WWTP site within zip code 78724 (District 1).

MGC Contractors, Inc. is located in New Braunfels, Texas.

**Strategic Outcome(s):**

Health and Environment.