

**City Council  
Agenda Memo**



**City Council  
Meeting Date: November 21, 2013**

**TO: Larry D. Gilley, City Manager**

**FROM: Tommy O'Brien, Director of Water Utilities**

**SUBJECT: Oral Resolution Approving Payment to Pepper Lawson Waterworks, LLC for Construction Services Proposal No. 1 for the Hamby Wastewater Treatment Plant Improvements (Phase II)**

**GENERAL INFORMATION**

On September 12, 2013 the City Council approved an oral resolution authorizing the City Manager to negotiate an Agreement, and subsequent associated Agreements, with Pepper Lawson Waterworks, LLC (Pepper Lawson) to serve as the Construction Manager at Risk (CMAR) for the Hamby Wastewater Treatment Plant Improvements (Phase II) (Project). Pursuant to such negotiations, an Agreement has been executed between the City of Abilene and Pepper Lawson to serve as the CMAR. On September 26, 2013 the City Council approved an oral resolution authorizing the funds in the amount of up to \$550,000 to Pepper Lawson for preconstruction phase services.

Under the Agreement, the Contract Price for the Hamby Wastewater Treatment Plant Improvements (Phase II) is established based on the CMAR's Fee and Guaranteed Maximum Price (GMP) Proposals accepted by the City. The Agreement establishes the CMAR's Fee as: \$550,000 for Preconstruction Phase Services; 2.6% for Major Equipment Packages; and 4.6% for Construction Phase Services. GMP Proposals are developed by the CMAR for consideration by the City Council in accordance with provisions established in the Agreement.

This Oral Resolution authorizes funds in the amount not to exceed \$41.4 million for GMP Proposal No. 1 which will be paid to Pepper Lawson in accordance with the Agreement. GMP Proposal No. 1 provides funding for:

- Project General Conditions \$6,380,460
- CMAR Fee \$1,481,609
- Major Equipment Packages \$16,898,310
- Site Civil – Excavation Package \$1,518,073
- Structural Concrete Packages \$4,950,218
- Electrical Packages \$9,000,000
- Contingency \$1,171,330

Primary work associated with this GMP Proposal No. 1 includes: **major equipment packages** (treatment systems to include Ozone, membrane bioreactor [MBR], reverse osmosis [RO], and biologically active filters [BAF]); **site work and concrete work** (MBR structure, Ozone/RO/BAF structure, biological nutrient removal [BNR] control structure, and earthen equalization storage basin).

Additional GMP Proposals will be presented for City Council authorization as they are developed. Under terms established in the Agreement, all work performed will be administered by the CMAR in an "open book" arrangement.

**FUNDING/FISCAL IMPACT**

The proposed construction services will be funded from the proceeds of the 2013 Series Certificates of Obligations that were sold on October 24, 2013.

**STAFF RECOMMENDATION**

Staff recommends approval.

**ATTACHMENTS**

None.

Prepared by:  Name <u>Tommy O'Brien</u> Title <u>Director of Water Utilities</u>	Item No. <u>7.1</u>	Disposition by City Council <input type="checkbox"/> Approved      Ord/Res# _____ <input type="checkbox"/> Denied <input type="checkbox"/> Other  _____ City Secretary
---	---------------------	--