

City Council
Agenda Memo



City Council
Meeting Date: September 11, 2014

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. 3 (Final) 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). Pursuant to such negotiations, an Agreement was executed between the City of Abilene and Pepper Lawson to serve as the CMAR.

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. Through GMP No. 2, the last GMP presented to City Council on January 23, 2014, the City Council has authorized the expenditure of \$59.2 million.

This Oral Resolution authorizes funds in the amount not to exceed \$26,550,000 for the Final GMP Proposal No. 3 which will complete the work associated with Pepper Lawson as CMAR. The work associated with GMP No. 3 (Final) provides funding for:

- CMAR Fee \$ 1,164,944.
- Project General Conditions \$ 612,070.
- Mechanical Piping Packages \$11,414,623.
- Minor Equipment Packages \$ 20,636.
- Site Civil Packages \$ 6,498,485.
- Final Structural Concrete Packages \$ 2,133,620.
- Buildings and Finishes Packages \$ 2,208,620.
- Electrical Packages \$ 155,270.
- Hargesheimer Packages \$ 3,000,000.
- Contingency Adjustment \$ (658,268.)

Primary work associated with this Final GMP Proposal No. 3 includes: installation of **third stage reverse osmosis concentrate process** at Hargesheimer water treatment plant; **final mechanical piping packages** (piping between/within structures, and the new outfall pipeline to Lake Fort Phantom Hill); **final site work and minor equipment packages** (gates, chemical storage and feed systems, small pumps, etc.); **final concrete work** (process/reverse osmosis structure); and **final buildings and finishes packages** (precast concrete wall panels and standing seam metal roof systems).

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 and from the proceeds of the 2014 Series of Certificates of Obligations to be sold in the near future. Any expenditures on the Project will be paid by the Water Utility Fund and then will be reimbursed upon delivery of the obligations in the near future. There is a Reimbursement Resolution associated with this GMP No. 3 (Final).

STAFF RECOMMENDATION

Staff recommends approval.

Prepared by: Name <u>Tommy O'Brien</u> Title <u>Director of Water Utilities</u>	Item No. <u>7.5</u>	Disposition by City Council <input type="checkbox"/> Approved Ord/Res# <input type="checkbox"/> Denied _____ <input type="checkbox"/> Other _____ _____ City Secretary
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