

City Council
Agenda Memo



City Council
Meeting Date: February 12, 2015

TO: David A. Vela, Interim City Manager

FROM: Tommy O'Brien, Director of Water Utilities

SUBJECT: **Written Resolution Approving Payment to Garney Companies, Inc. for Construction Services GMP Proposal No. 1 for the Possum Kingdom Raw Water Transmission System For Second Stage Drought Strategy**

GENERAL INFORMATION

Due to the continuing drought, the City is implementing its second stage short-term drought strategy. On December 18, 2014 the City Council approved a written resolution authorizing the Interim City Manager to negotiate an Agreement, and subsequent associated Agreements, with Garney Companies, Inc. (Garney) to serve as the Construction Manager at Risk (CMAR) for the Possum Kingdom (PK) Raw Water Transmission System. The raw water transmission system is part of the strategy to bring PK water to Abilene as a supplemental raw water source. Pursuant to such negotiations, an Agreement was executed between the City of Abilene and Garney to serve as the CMAR.

Under the Agreement, the Contract Price for the PK Raw Water Transmission System is established based on the CMAR's cost of preconstruction phase services, and Guaranteed Maximum Price (GMP) Proposals accepted by the City. The initial Agreement established Preconstruction Phase Services of \$250,000 and the CMAR fee of 6% for construction phase services. This Written Resolution authorizes funds in the amount not to exceed \$18,931,600 for GMP Proposal No.

1. The work associated with GMP No. 1 provides funding for:

- CMAR Fee \$ 1,071,600
- Project General Conditions \$ 2,310,000
- Piping, Valves and Accessories \$ 9,950,000
- Clearing/Construction Staking \$ 1,000,000
- Directional Drilling/Boring \$ 2,000,000
- 12" Pipeline Installation \$ 730,000
- 36" Pipeline Installation \$ 1,870,000

Primary work associated with this GMP Proposal No. includes: **project general conditions** (bonds, insurance and non-construction costs); **piping, valves and accessories** (12" and 36" pipe, butterfly and gate valves, air valves, valve boxes, etc.); **clearing and construction staking** along pipeline rights-of-way; **directional drilling/bore and encasement** for roadway and waterbody crossings; and **pipeline installation** for the 12" reverse osmosis concentrate discharge pipeline and the 36" raw water transmission pipeline.

FUNDING/FISCAL IMPACT

The proposed CMAR services will be funded through the issuance of combination tax and revenue certificates of obligation to be sold in the near future. Any expenditure on the work will be paid by the Water Utility Fund and then will be reimbursed upon delivery of the obligation in the near future. There is a Reimbursement Resolution associated with this expenditure.

STAFF RECOMMENDATION

Staff recommends approval.

ATTACHEMNT

Written Resolution.

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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RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS APPROVING PAYMENT TO GARNEY COMPANIES, INC. FOR CONSTRUCTION SERVICES GMP PROPOSAL NO. 1 FOR THE POSSUM KINGDOM RAW WATER TRANSMISSION SYSTEM.

WHEREAS, in response to the on-going drought and as part of the City of Abilene’s overall second-stage, short-term drought response strategy, the City is implementing Possum Kingdom Lake as a raw water supply that will provide 4 to 14 million gallons of raw water per day to the City of Abilene; and

WHEREAS, On December 18, 2014 the City Council approved a written resolution authorizing the Interim City Manager to negotiate agreements with Garney Companies, Inc. (Garney) to serve as the Construction Manager at Risk (CMAR) for the Possum Kingdom Water Transmission System which is a required part of the strategy to bring Possum Kingdom water to Abilene; and

WHEREAS, Under the agreement with Garney the contract price for the Possum Kingdom Raw Water Transmission System is established based on the CMAR’s cost of preconstruction phase services and Guarantee Maximum Price (GMP) proposals accepted by the City; and

WHEREAS, the initial agreement established Preconstruction Phase Services in the amount of \$250,000, and established the CMAR’s fee of 6% of construction phase services; and

WHEREAS, Garney has presented the first GMP proposal for the following amounts:

CMAR Fee	\$1,071,600
Project General Conditions (bonds, insurance and non-construction costs)	\$2,310,000
Piping, Valves and Accessories (12” and 36” pipe, butterfly and gate valves, air valves, valve boxes, etc.)	\$9,950,000
Clearing/Construction Staking	\$1,000,000
Directional Drilling/Boring	\$2,000,000
12” Pipeline Installation	\$ 730,000
36” Pipeline Installation	\$1,870,000

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS:

Part 1: The Interim City Manager is hereby authorized to execute any documents necessary to accept Garney’s GMP proposal No. 1 for the work outlined above.

ADOPTED this 12th day of February, 2015.

ATTEST:

Danette Dunlap, City Secretary

Norman Archibald, Mayor

APPROVED:

T. Daniel Santee, City Attorney