

**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 Pepper Lawson Waterworks, LLC for Construction Services GMP Proposal No. 2 for the Possum Kingdom Raw Water Roughing Facility for the 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 Pepper Lawson Waterworks, LLC (Pepper Lawson) to serve as the Construction Manager at Risk (CMAR) for the Possum Kingdom (PK) Raw Water Roughing Facility. The raw water roughing facility 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 Pepper Lawson to serve as the CMAR.

Under the Agreement, the Contract Price for the PK Raw Water Roughing Facility 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 \$375,000, equipment purchases of up to \$15,000,000 (GMP No. 1), and the CMAR's fee of 2% for major equipment packages and 4.6% for construction phase services. This Written Resolution authorizes funds in the amount not to exceed \$13,500,000 for GMP Proposal No. 2. The work associated with GMP No. 2 provides funding for:

- CMAR Fee \$ 1,020,000.
- Project General Conditions \$ 4,260,000.
- Mechanical Piping Packages \$ 1,900,000.
- Equipment Packages Adjustment \$ (5,550,000.)
- Site Civil Packages \$ 585,000.
- Structural Concrete Packages \$ 2,425,000.
- Buildings and Finishes Packages \$ 2,330,000.
- Electrical Packages \$ 6,530,000.

Primary work associated with this GMP Proposal No. 2 includes: **project general conditions** (bonds, insurance and non-construction costs); **mechanical piping packages** (piping between/within structures); **equipment packages adjustment** (reduction from the \$15,000,000 in GMP No. 1 due to bidding efficiencies); **site civil packages** (excavation and backfill for structures); **structural concrete packages** (process building and ancillary structures); **buildings and finishes packages** (precast walls for process building, doors, windows and HVAC); and **electrical packages** (process building and pump stations).

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.

ATTACHMENT

Written Resolution.

<p>Prepared by:</p> <p>Name <u>Tommy O'Brien</u></p> <p>Title <u>Director of Water Utilities</u></p>	<p>Item No. <u>7.6</u></p>	<p>Disposition by City Council</p> <p><input type="checkbox"/> Approved Ord/Res# _____</p> <p><input type="checkbox"/> Denied _____</p> <p><input type="checkbox"/> Other _____</p> <p align="right">_____ City Secretary</p>
--	----------------------------	---

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS APPROVING PAYMENT TO PEPPER LAWSON WATERWORKS, LLC FOR CONSTRUCTION SERVICES GMP PROPOSAL NO. 2 FOR THE POSSUM KINGDOM RAW WATER ROUGHING FACILITY.

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 Pepper Lawson Waterworks, LLC (Pepper Lawson) to serve as the Construction Manager at Risk for the Possum Kingdom Raw Water Roughing Facility which is a required part of the strategy to bring Possum Kingdom water to Abilene; and

WHEREAS, Under the agreement with Pepper Lawson the contract price for the Possum Kingdom Raw Water Roughing Facility 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 \$375,000, equipment purchase of up to \$15,000,000, and the CMAR’s fee of 2% for major equipment packages and 4.6% for construction phase services; and

WHEREAS, Pepper Lawson has presented the second GMP proposal for the following amounts:

CMAR Fee	\$1,020,000
Project General Conditions (bonds, insurance and non-construction costs)	\$4,260,000
Mechanical Piping Packages (piping between/within structures)	\$1,900,000
Equipment Packages Adjustment (reduction due to bidding efficiencies)	\$(5,550,000)
Site Civil Packages (excavation and backfill for structures)	\$ 585,000
Structural Concrete Packages (process building and ancillary structures)	\$2,425,000
Buildings and Finishes Packages (precast walls for process building, doors, windows, and HVAC)	\$2,330,000
Electrical Packages (process building and pump stations)	\$6,530,000

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 Pepper Lawson's GMP proposal No. 2 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