

**City Council  
Agenda Memo**



**City Council  
Meeting Date: March 26, 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. 2 for the Possum Kingdom Raw Water Transmission System – Second Stage Short-Term Drought Strategy**

**GENERAL INFORMATION**

Due to the continuing drought, the City is implementing its second stage short-term drought strategies. These strategies include transporting from 4 to 14 million gallons per day (MGD) of raw water from Possum Kingdom Reservoir (PK) to Abilene.

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 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 Possum Kingdom Raw Water Transmission System is established based on the CMAR's Fee 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. GMP Proposal No. 1 was authorized by the City Council on February 12, 2015 in the amount of \$18,931,600. This Written Resolution authorizes funds in the amount not to exceed \$10,896,800 for GMP Proposal No. 2. The work associated with GMP No. 2 provides funding for:

- CMAR Fee \$ 616,800.
- Permanent Fencing \$ 233,000.
- Piping, Valves and Accessories \$ 343,000.
- Clearing/Construction Staking \$ (127,000.)
- Directional Drilling/Boring \$ 4,361,000.
- 12" Pipeline Installation \$ 4,124,000.
- 36" Pipeline Installation \$ 1,346,000.

Primary work associated with this GMP Proposal No. 2 includes: **permanent fencing** (required under ROW easements); **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 (adjustment for bid pricing lower than GMP No. 1 budget); **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.

**STAFF RECOMMENDATION**

Staff recommends approval of written resolution.

**ATTACHMENT**

Written Resolution

Prepared by:  Name <u>Tommy O'Brien</u>  Title <u>Director of Water Utilities</u>	Item No. <u>7.3</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. 2 FOR THE POSSUM KINGDOM RAW WATER TRANSMISSION SYSTEM FOR THE SECOND STAGE SHORT-TERM DROUGHT STRATEGY**

**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 fee 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 the CMAR’s fee of 6% for construction phase services, and GMP No. 1 in the amount of \$18,931,600; and

**WHEREAS**, Garney has presented its second GMP (GMP No. 2) proposal for the following amounts:

CMAR Fee	\$616,800
Piping, Valves and Accessories (12” and 36” pipe, butterfly and gate valves, air valves, valve boxes, etc.)	\$343,000
Permanent Fencing	\$233,000
Clearing/Construction Staking (Adjustment for bid pricing lower than GMP No. 1 budget)	\$(127,000)
Directional Drilling/Boring	\$4,361,000
12” Pipeline Installation	\$ 4,124,000
36” Pipeline Installation	\$1,346,000
<b>TOTAL GMP NO. 2</b>	<b>\$10,896,800</b>

**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. 2 for the work outlined above.

**ADOPTED this 26<sup>th</sup> day of March, 2015.**

ATTEST:

\_\_\_\_\_  
Danette Dunlap, City Secretary

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Norman Archibald, Mayor

APPROVED:

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T. Daniel Santee, City Attorney