

City Council  
Agenda Memo



City Council  
Meeting Date: June 25, 2015

TO: Robert Hanna, City Manager

FROM: Rodney Taylor, Interim Director of Water Utilities

SUBJECT: Written Resolution Approving Payment to Pepper Lawson Waterworks, LLC for Construction Services GMP Proposal No. 3 for the Possum Kingdom Raw Water Roughing Facility for the Second Stage Short-Term 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. GMP Proposal No. 2 was authorized by the City Council on February 12, 2015 in an amount of \$13,500,000. This Written Resolution authorizes funds in the amount not to exceed \$9,852,130 for GMP Proposal No. 3. The work associated with GMP No. 3 provides funding for:

- CMAR Fee \$ 378,870.
- Mechanical Piping Packages \$ 1,597,140.
- Site Civil Packages \$ 1,094,950.
- Structural Concrete Packages \$ 410,000.
- Buildings and Finishes Packages \$ 3,582,620.
- Electrical Packages \$ 1,788,550.
- Contingency \$ 1,000,000.

Primary work associated with this GMP Proposal No. 3 includes: **mechanical piping packages** (piping between/within structures); **site civil packages** (excavation and backfill for structures, and final site grading); **structural concrete packages** (process building and ancillary structures); **buildings and finishes packages** (precast walls for process building, doors, windows and HVAC); **electrical packages** (process building and pump stations); and **contingency** (CMAR-directed contingency in accordance with terms of the CMAR contract).

#### FUNDING/FISCAL IMPACT

The proposed CMAR services will be funded through the combination tax and revenue certificates of obligation previously sold for the drought projects.

#### STAFF RECOMMENDATION

Staff recommends approval.

#### ATTACHMENT

Written Resolution.

Prepared by:  Name <u>Rodney Taylor</u>  Title <u>Interim 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
---	---------------------	--

**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. 3 FOR THE POSSUM KINGDOM RAW  
WATER ROUGHING FACILITY 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 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 (GMP No. 1), and the CMAR's fee of 2% for major equipment packages and 4.6% for construction phase services; and

**WHEREAS**, GMP No. 2 was authorized by the City Council on February 12, 2015 in an amount of \$13,500,000; and

**WHEREAS**, Pepper Lawson has presented the third GMP (GMP 3) proposal for the following amounts:

CMAR Fee	\$ 378,870
Mechanical Piping Packages (piping between/within structures)	\$1,597,140
Site Civil Packages (excavation and backfill for structures)	\$1,094,950
Structural Concrete Packages (process building and ancillary structures)	\$ 410,000
Buildings and Finishes Packages (precast walls for process building, doors, windows, and HVAC)	\$3,582,620
Electrical Packages (process building and pump stations)	\$1,788,550
Contingency (CMAR-directed contingency in accordance with terms of the CMAR contract)	\$1,000,000
<b>TOTAL GMP NO. 3</b>	<b>\$9,852,130</b>

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

Part 1: The City Manager is hereby authorized to execute any documents necessary to accept Pepper Lawson's GMP proposal No. 3 for the work outlined above.

**ADOPTED this 25<sup>th</sup> day of June, 2015.**

ATTEST:

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

\_\_\_\_\_  
Norman Archibald, Mayor

APPROVED:

\_\_\_\_\_  
T. Daniel Santee, City Attorney