

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 Garney Companies, Inc. for Construction Services GMP Proposal No. 3 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. GMP Proposal No. 2 was authorized by the City Council on March 26, 2015 in the amount of \$10,896,800. This Written Resolution authorizes funds in the amount not to exceed \$9,154,160 for GMP Proposal No. 3. The work associated with GMP No. 3 provides funding for:

- CMAR Fee \$ 518,160.
- Piping, Valves and Accessories \$ 446,000.
- Clearing/Construction Staking \$ 168,000.
- Directional Drilling/Boring \$ 2,390,000.
- 12" Pipeline Installation \$ (27,000.)
- 36" Pipeline Installation \$ 4,724,000.
- Surface Restoration \$ 935,000.

Primary work associated with this GMP Proposal No. 3 includes: **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** of roadway and waterbody crossings; **pipeline installation** for the 12" reverse osmosis concentrate discharge pipeline and the 36" raw water transmission pipeline; and **surface restoration** of completed pipeline rights-of-way.

#### 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 of written resolution.

#### ATTACHMENT

Written Resolution

Prepared by:  Name <u>Rodney Taylor</u>  Title <u>Interim Director of Water Utilities</u>	Item No. <u>7.4</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. 3 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

**WHEREAS**, GMP No. 1 was authorized by the City Council on February 12, 2015 in the amount of \$18,931,600; and

**WHEREAS**, GMP Proposal No. 2 was authorized by the City Council on March 26, 2015 in the amount of \$10,896,800; and,

**WHEREAS**, Garney has presented its third GMP (GMP No. 3) proposal for the following amounts:

CMAR Fee	\$ 518,160
Piping, Valves and Accessories (12" and 36" pipe, butterfly and gate valves, air valves, valve boxes, etc.)	\$ 446,000
Clearing/Construction Staking (pipeline rights-of-way)	\$ 168,000
Directional Drilling/Boring (roadways and waterbody crossings)	\$2,390,000
12" Pipeline Installation	\$ (27,000)
36" Pipeline Installation	\$4,724,000
Surface Restoration (completed pipeline rights-of-way)	\$ 935,000
<b>TOTAL GMP NO. 3</b>	<b>\$9,154,160</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 Garney'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

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Norman Archibald, Mayor

APPROVED:

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T. Daniel Santee, City Attorney