



Legislation Text

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AUTHORIZATION TO ENTER INTO A CONSTRUCTION MANAGER AT RISK AGREEMENT WITH MCCARTHY BUILDING COMPANIES, INC., FOR PRE-CONSTRUCTION SERVICES FOR THE PROCESS IMPROVEMENTS AND CAPACITY EXPANSION AT THE PYRAMID PEAK WATER TREATMENT PLANT

Staff Contact: Craig Johnson, P.E., Director, Water Services

Purpose and Recommended Action

This is a request for City Council to authorize the City Manager to enter into a Construction Manager at Risk (CMAR) Agreement with McCarthy Building Companies, Inc., (McCarthy) in an amount not to exceed \$5,279,881 for pre-construction services of the Pyramid Peak Water Treatment Plant (PPWTP) improvements.

Background

The Pyramid Peak Water Treatment Plant (PPWTP) is operated by the City of Glendale under an Intergovernmental Agreement (IGA) with the City of Peoria to treat the cities Central Arizona Project water allocations. The City of Glendale owns 77% of the existing capacity of the facility while the City of Peoria owns the remaining 23%.

The City of Peoria is seeking to construct additional treatment capacity at the facility to support growth within the City of Peoria. The City of Glendale sees mutual benefit in allowing the facility to be expanded to provide additional treatment capacity to the City of Peoria. The 15 million gallons per day (MGD) expansion will result in a treatment capacity of 54 MGD. The City of Peoria's ownership capacity will be 24 MGD or approximately 44.4% and Glendale's ownership capacity will be 30 MGD, or approximately 55.6%.

At the same time, the project will include process improvements to the existing treatment facilities and repair and rehabilitation of equipment to ensure continued compliance with existing regulations, decrease frequency of corrective maintenance, and improve plant resiliency.

The improvement project will be split in accordance with current plant ownership. Glendale will be responsible for 77% of these costs and Peoria will be responsible for the remaining 23%. The expansion project is for the City of Peoria and will be 100% funded by Peoria.

Currently, design services are in progress with Black & Veatch Corporation (B&V) to provide improvement and expansion design to PPWTP. For this phase, McCarthy will provide pre-construction services during the design phase with B&V. Their services include: independent cost estimating, constructability review, value engineering evaluation, procurement of long lead items, and the development of a construction phasing plan.

Upon completion of the design phase, staff will return to Council to amend this agreement to include construction services during construction phase.

Analysis

The improvement project provides proactive rehabilitation and replacement efforts to minimize plant shut downs, corrective maintenance issues, and assist with maintaining the integrity of this water treatment plant which has been in continuous operation for almost 30 years. The improvement project is being done concurrently with the 15 MGD capacity expansion project. The expansion project will increase the plant capacity that the City of Peoria owns at the facility to accommodate their drinking water needs into the future.

A Request for Qualifications was advertised in February 2016 and McCarthy was selected as the best qualified firm

Previous Related Council Action

On November 22, 2016, Council authorized the City Manager to enter into a Professional Services Agreement with the B&V for design services for the process improvements and treatment capacity expansion.

On September 22, 2015, Council approved IGA C-10295 with the City of Peoria to pay for expansion of treatment capacity of the plant and share in the cost to make process improvements.

On December 18, 2014, Council authorized the City Manager to amend the original agreement with B&V increasing the contract amount.

On May 13, 2014, Council authorized the City Manager to enter into an agreement with B&V to provide process and expansion evaluations for the Pyramid Peak Water Treatment Plant.

Community Benefit/Public Involvement

Benefits of the improvement project include maintaining the integrity and operation of the water treatment plant, minimized service interruptions and ensuring continued compliance with environmental regulations. Benefits of the capacity expansion project include Peoria paying a higher portion of the operations and maintenance costs and providing more Central Arizona Project (CAP) treatment capacity for Peoria to meet the future water supply demands of their residents. An open house was also conducted on April 20, 2017 to educate our neighbors about the project and gather their feedback regarding the project.

Budget and Financial Impacts

Costs incurred for the improvement project will be shared with Peoria at the current ownership allocation and cost incurred for the expansion project will be paid by the City of Peoria. Glendale's portion of these costs is approximately \$3,486,136 and Peoria's portion is approximately \$1,793,745. Funds are available in the Water Services FY2016-17 capital budget and future appropriation is contingent upon Council approval.

Cost	Fund-Department-Account
\$4,527,450	2400-61043-551200, Pyramid Peak WTP Improvements
\$752,431	2400-61057-551200, Pyramid Peak WTP Expansion

Capital Expense? Yes

Budgeted? Yes

Requesting Budget or Appropriation Transfer? No

If yes, where will the transfer be taken from?