



TO: Fruita City Council and Mayor

FROM: Kimberly Bullen, Public Works Director

DATE: July 5, 2022

AGENDA TEXT: Contract for Construction Management Services for Wastewater Reclamation Facility

BACKGROUND

The City of Fruita completed an updated Needs Assessment Study for the Wastewater Reclamation Facility in 2021 that identified over \$8 Million in capital needs in the next 10 years. Funding has been allocated in the 2022 budget for the highest priority projects, which include the H2S Mitigation project and the Sludge Vortex project.

The city worked with the engineering firm of Tetra Tech to select a construction management firm qualified in wastewater facility projects. Hensel Phelps Construction CO. was selected through a qualification-based procurement process that emphasized the importance of teaming with a contractor that could successfully complete the identified projects as well as assist in further assessing and completing future tasks. (A memorandum with summary of the final selection is included with this agenda item for reference).

As a result of the procurement process, the city is interested in entering into a contract with Hensel Phelps Construction CO. for services using a Construction Manager At Risk (CMAR) delivery method. This CMAR relationship is similar to the Construction Manager/General Contractor (CM/GC) that the city has used in the past except in the CMAR relationship the Contractor takes on a higher level of responsibility in the planning and design phases, which staff believes will be of value in planning for future projects identified in the Needs Assessment Study.

The agreement proposes a 5-year term for as needed services with individual task orders for each project or task. This type of multi-year agreement requires approval by the City Council and is hereby presented to Council for review.

FISCAL IMPACT

City Council appropriates funding annually for capital projects. Entering into this agreement with Hensel Phelps Construction CO. does not include any fees and does not obligate the city to any spending. Instead, individual task orders will be reviewed and approved separately for budgeted projects or services.

APPLICABILITY TO CITY GOALS AND OBJECTIVES

Providing wastewater services to the community is one of the primary core services of the city. This agreement will assist the city in addressing wastewater treatment needs in a cost-effective and environmental responsible manner.

OPTIONS AVAILABLE TO THE COUNCIL

If the Council finds the proposed delivery method and draft contract acceptable, then Council could:

1. **APPROVE THE AGREEMENT WITH HENSEL PHELPS CONSTRUCTION CO. FOR CONSTRUCTION MANAGER AT RISK SERVICES FOR THE WASTEWATER RECLAMATION FACILITY.**

If the Council has concerns about the agreement, then Council could:

2. **AUTHORIZE THE CITY MANAGER TO FURTHER NEGOTIATE THE TERMS OF THE AGREEMENT AND BRING IT BACK TO COUNCIL FOR ACTION AT A LATER DATE.**

RECOMMENDATION

It is the recommendation of staff that Council:

APPROVE THE AGREEMENT WITH HENSEL PHELPS CONSTRUCTION CO. FOR CONSTRUCTION MANAGER AT RISK SERVICES FOR THE WASTEWATER RECLAMATION FACILITY.