

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: May 15, 2023

Topic:

Consider approval of Resolution No. 2023-27, a Resolution of the City of Tomball, Texas, determining the Construction Manager at Risk (CMAR) delivery method for the expansion of the South Wastewater Treatment Plant (SWWTP) provides the best value to the City and stating the award of the CMAR Contract will be based on best value; and providing an effective date.

Background:

The South wastewater treatment plan is in need of an expansion from the current permitted annual average daily flow capacity of 1.5 million gallons per day (MGD) to 3.0 MGD to accommodate the City's projected growth. In order to facilitate the best value and end result, staff have worked with Freese and Nichols, our design engineer, to pursue the construction manager-at-risk delivery method. Freese and Nichols presented information related to the CMAR process to the City Council in a workshop on May 1, 2023 and Council directed staff to move forward.

CMAR is a delivery method which necessitates a commitment by the Construction Manager (CM) to serve as the general contractor and deliver the project within a Guaranteed Maximum Price (GMP) which is based on the construction documents and specifications at the time of the GMP plus, any reasonably inferred items or tasks. By bringing the CMAR on early in the design process, they can provide valuable input to the design and construction planning for the project (e.g., cost estimating, scheduling, solicitation of subcontractor bids, value engineering, construction phase operational coordination planning, etc.).

This delivery method has several unique benefits to the City for a project such as the South WWTP Expansion Project, including:

1. A higher level of cost control from design through construction. During the design development, the CMAR provides cost updates at contractually established points and monitors the cost impacts of design decisions as the design develops. If these cost estimates remain in line with the established budget, the Engineer then moves on to the next phase of design. If not, the CMAR, Owner and Engineer assess the cost estimate and make design changes to bring the design back into budget alignment. This process allows for the Engineer to "design to budget" and improves overall project budgetary performance.
2. The CMAR is an advocate for the Owner City and manages the project with the City's best interest in mind.
3. The CMAR takes burden off of the City in managing and coordinating the project.
4. The City's risk is managed by the CMAR and the Engineer through the collaborative delivery process so that the construction documents are complete and proper allowances and contingencies are built into the GMP.
5. Constructability and value to the Owner are afforded by the value engineering and cost/risk management expertise brought to the process by the CMAR.
6. The CMAR process allows the City to select a general contractor based on their qualifications and demonstrated performance in construction/expansion work for treatment plant infrastructure

similar to the South WWTP. This affords the City the opportunity to perform deeper due diligence on the primary construction partner than would be allowed under competitive fixed-price bidding or competitive sealed proposal bidding.

7. Generally, the thorough prequalification process used by a CMAR minimizes the number of low bidders disqualified and generally leads to lower long term costs, higher quality, and fewer claims because only pre-qualified contractors are performing work.
8. CMAR services are professional services like architectural, engineering, surveying, etc. The CMAR's main purpose is not only to construct the project, but to manage the cost, schedule and overall quality of the project.

The Texas Government Code requires a governmental entity, when using a method other than competitive bidding for construction services, to determine prior to advertising and issuing the Request For Proposal (RFP) that the alternate method provides the best value to the City (TX Gov't Code § 2269.056). After the resolution is passed, a contract and RFQ/RFP will be issued for the procurement of CMAR for the South WWTP expansion.

Origination: Project Management

Recommendation:

Staff recommends approving Resolution No. 2023-27, resolving that CMAR provides the best value to the City and that the award of the CMAR Contract will be based on the best value; and providing an effective date.

Party(ies) responsible for placing this item on agenda: Meagan Mageo, Project Manager

FUNDING (IF APPLICABLE)

Are funds specifically designated in the current budget for the full amount required for this purpose?

Yes: _____ No: _____ If yes, specify Account Number: # _____

If no, funds will be transferred from account # _____ To account # _____

Signed Meagan Mageo Approved by _____
Staff Member Date City Manager Date