

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: December 18, 2023

Topic:

Approve a Professional Services Agreement with PLW Waterworks, LLC to provide design phase services for the South Wastewater Treatment Plant expansion, Project Number 2023-10003, for a not-to-exceed amount of \$595,699, authorize the expenditure of funds therefor, and authorize the City Manager to execute the agreement. This amount is included in the Fiscal Year 2023-2024 budget as a Capital Improvement Project.

Background:

On May 1, 2023 City Council approved Resolution No. 2023-27, approving the Construction-Manager-at-Risk (CMAR) delivery method for design assistance for the expansion of the South Wastewater Treatment Plant (SWWTP) after determining the use of the CMAR delivery method would provide the best value to the City.

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.).

Staff is working with Freese & Nichols, Inc. to complete the design of the expansion, and as part of the CMAR process PLW Waterworks will be assisting during the design to provide expertise opinions based on their extensive experience and knowledge.

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 the 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.

PLW Waterworks, LLC was selected through the Request for Qualification process (RFQ No. 2023-17), which allowed for interested parties to submit sealed qualifications to be considered for the project and a total of three submissions were received. After reviewing all submitted packets a scoring summary was generated and all three firms were interviewed with PLW Waterworks, LLC being deemed the most qualified and experienced contractor to complete the work requested. The selection and discussions were held in accordance with the City's adopted Procurement Policy and Manual and state procurement law.

This item authorizes an agreement with PLW Waterworks, LLC to assist in the design phase of the South Wastewater Treatment Plant expansion for an amount not-to-exceed \$595,699. Funds for completing the proposed project were allocated in the Fiscal Year 2023-2024 budget, as part of the Certificate of Obligation issuance that was approved at the December 4, 2023, City Council meeting.

Project Element	Total Contract	Remaining Contract Amount
Preliminary Engineering - FNI	\$506,085	\$0.00
Proposed Design Engineering - FNI	\$4,933,000	N/A
Proposed CMAR (Design Phase)	\$595,699	N/A
Pre-Procurement Packages (Pending)	Pending	N/A
Construction Management (Pending)	Pending	N/A
CMAR	Pending	N/A
Project Budget \$17,542,276	Total Current Contracts \$6,034,784	

Origination: Project Management

Recommendation:

Staff recommends approving an agreement with PLW Waterworks, LLC for design assistance with the South Wastewater Treatment Plant expansion for an amount no-to-exceed \$595,699.

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: X No: _____

If yes, specify Account Number: #400-614-6409

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

Signed Meagan Mageo
Staff Member _____
Date _____

Approved by _____
City Manager _____
Date _____