

**City of Oak Harbor
City Council Agenda Bill**

Bill No. 11.b
Date: June 16, 2015
Subject: Wastewater Treatment Plant -
General Contractor/Construction
Manager GMP Amendment #3

FROM: Cathy Rosen, Public Works Director & Joe Stowell, City Engineer

INITIALED AS APPROVED FOR SUBMITTAL TO THE COUNCIL BY:

- Scott Dudley, Mayor
- Larry Cort, City Administrator
- Doug Merriman, Finance Director
- Nikki Esparza, City Attorney, as to form

RECOMMENDED ACTION

Authorize the Mayor to sign AIA Document A133 – 2009 Exhibit A (GMP #3) in the amount of \$836,130 plus Sales Tax (\$72,743) with Hoffman Construction for construction of Site Preparation A-Partial Excavation and Archaeological Survey.

BACKGROUND / SUMMARY INFORMATION

Construction of the wastewater treatment plant involves extensive excavations on the selected site. With the cultural resource sensitivity of the location, the City's construction activities are governed by a Section 106 Memorandum of Agreement which specify slow mitigation processes in the event of an archaeological discovery. Incorporating these mitigation processes during the major construction activities could result in significant costs due to delays. In order to avoid these potential risks, an initial site excavation contract was established to excavate the site 5 to 8 feet to get below the archaeological zones of concern. This approach allows for mitigating concerns prior to initiating costly deep foundation activities.

Due to complexity of the work and the potential for significant contractual deviations, Hoffman proposed to self-perform this portion of the work. This allows for significant changes in quantities, production rates or effort without the potential for change orders. Hoffman will be utilizing subcontractors for the work.

In accordance with state law, an independent cost estimate was performed by KBA to validate the negotiated amount.

In accordance with the base agreement with Hoffman Construction, a Guaranteed Maximum Price Agreement (GMP #3) was prepared by Perkins Coie, the contracted legal counsel for the project. This GMP amount includes the direct cost of the work, Negotiated Support Services, contingency, GC/CM fee, Specified General Conditions. These amounts are summarized in Attachment E. At the advice of Perkins Coie, GMP Amendments do not specifically state the Sales Tax amounts but those amounts are included in the contract. In the future, staff will identify sales tax amounts as different than the GMP cost.

GMP #3 totals to \$836,130 plus \$72,743 in Sales Tax. The budget for this work is included in the overall Clean Water Facility Project Budget.

Hoffman GC/CM Contract Summary:

- July 1, 2014 – Base agreement approved by council
 - Base agreement included the bid GC/CM fee of 4.28% on constructed work.
 - Base agreement also included up to a maximum of \$790,050 for preconstruction services.
 - December 2, 2014 - GMP#1 approved by council for early procurement of Membrane Bioreactor (MBR) and Ultraviolet Disinfection equipment for an amount of \$2,533,317.
 - April 21, 2015-GMP #2 approved by council for construction of the Outfall Diffuser in the amount of \$2,337,687.
 - Anticipated Subsequent GMP Components as follows will be combined for the total project GMP:
 - Additional early equipment procurement (solids equipment, data processing equipment, etc.)
 - Deep excavation (sheet piling, excavation, shoring, dewatering, etc.)
 - WWTP construction
 - Site work improvements (landscape, Bayshore, parking, etc.)

FISCAL IMPACT

Funds Required: \$836,130+Sales Tax (\$72,743)

Appropriation Source: Wastewater Fund

PREVIOUS COUNCIL / BOARD / CITIZEN INPUT

PREVIOUS COUNCIL ACTIONS

12-3-2013 – Adopted Resolution 13-32 directing staff to pursue GC/CM as the delivery method for the new wastewater treatment plant.

12-17-2013 - Adopted Ordinance 1682 amending Oak Harbor Municipal Code to include a provision for alternative project delivery methods.

2-18-2014 - Authorized staff to advertise a request for qualifications (RFQ) to select a General Contractor / Construction Manager (GC/CM) for the new wastewater treatment plant project.

2-18-2014 - Authorized the Mayor to sign and submit the Application for Project Approval – GC/CM Delivery for construction of the new wastewater treatment plant to the State of Washington Capital Projects Advisory Review Board – Project Review Committee.

7-1-2014 - Authorized the Mayor to sign the A-133 agreement with Hoffman Construction in connection with the new wastewater treatment plant (WWTP) project.

12-2-14 - Authorized GMP #1 for procurement of Membrane Bioreactor (MBR) and Ultraviolet (UV) equipment in the amount of \$2,553,317.00

4-21-15 - Authorized GMP #2 for construction of the wastewater outfall in the amount of \$2,337,687

CITY COUNCIL WORKSHOPS

11-13-2013 – Project funding and alternative project delivery were discussed.

11-19-2013 – Project delivery options were discussed.

02-26-2014 – Established the GC/CM contractor selection and review team.

06-25-2014 – Selection of the GC/CM was discussed.

11-19-2014 – GMP#1 bids for UV and MBR were discussed

04-07-2015 – Council review of the 30% cost estimate

05-17-2015 – Council review of site selection process

05-27-2015 – Council review of GMP #3

ATTACHMENTS

1. [Attachment A - A133 Agreement \(base agreement\)](#)
2. [Attachment B - GMP #1](#)
3. [Attachment C - GMP #2](#)
4. [Attachment D - GMP #3](#)
5. [Attachment E - GMP #3 Summary of Amendment Costs](#)