



**Steel Tank Rehabilitation Program - Construction Manager at Risk Design Phase Services - WS85050023 (Ordinance S-44656)**

Request to authorize the City Manager, or his designee, to enter into an agreement with Felix Construction Company to provide Construction Manager at Risk (CMAR) design phase services in support of the Steel Tank Rehabilitation Program. Further request authorization for the City Controller to disburse all funds related to this item. The fee for services will not exceed \$75,000.

**Summary**

The Water Services Department has 42 steel tanks located at 33 different sites, serving as potable water storage or pressure surge protection facilities within the City's water production and distribution system. A program has been established to assess and rehabilitate these steel tanks to prevent them from deteriorating over time, based on their coating, structural and site conditions.

Felix Construction Company will begin in an agency support role for design phase services and then hold the construction contract with the City for construction of the project. The CMAR will assume the risk of delivering the project through a Guaranteed Maximum Price (GMP) contract. Services during the CMAR design phase include: providing detailed cost estimating from knowledge of marketplace conditions; planning and scheduling project/construction phases to minimize interruption to City operations; evaluation of alternate systems; providing constructability studies and long-lead procurements; assisting in permitting processes; and participation in the Small Business Enterprise (SBE) process to establish the SBE goal for construction.

**Procurement Information**

Felix Construction Company was selected for this project using a qualifications-based selection process according to section 34-603 of the Arizona Revised Statutes (A.R.S.). Pursuant to A.R.S. title 34, the City may not release the scoring of proposers until a contract has been awarded. Five firms submitted proposals. The top three rankings follow:

Felix Construction Company: Rank 1  
MGC Contractors, Inc.: Rank 2

Schofield Civil Construction, LLC: Rank 3

**Contract Term**

The term for services is expected to be 36 months after issuance of the Notice to Proceed. Contract work scope identified and incorporated into the contract prior to the end of the contract may be agreed to by the parties and work may extend past the termination of the contract. No additional contract work scope may be executed after the end of the contract term.

**Financial Impact**

Felix Construction Company's fee will not exceed \$75,000, including all subconsultant, subcontractor, and reimbursable costs. Funding for these services is available in the Water Services Department's Capital Improvement Program budget. Contract payments may be made up to the contract limits for all rendered contract services, which may extend past the contract termination.

**Responsible Department**

This item is submitted by Deputy City Managers Karen Peters and Mario Paniagua, the Water Services Department, and the City Engineer.