

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

SUBJECT: Approve Expenditure of \$14,505,864 for the Goodyear Water Reclamation Facility Package No. 8B 4.0 to 6.0 MGD Expansion and Site Improvements	STAFF PRESENTER: Tim Burkeen, Sr. Project Manager and Barbara Chappell, Interim Public Works Director CASE NUMBER: None OTHER PRESENTER: None
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PROPOSED ACTION:

Approve expenditure of funds in the amount of \$14,505,864 for the Goodyear Water Reclamation Facility (WRF) Package No. 8B 4.0 to 6.0 MGD Expansion Project and required budget transfers to combine the projects and add \$5.3 million in Wastewater Bond funds.

BACKGROUND AND PREVIOUS ACTIONS:

In the past, there has been intermittent progress made towards the expansion of the Goodyear WRF resulting in multiple project packages leading to the current package 8B. The flows to the plant are currently approaching 90% of design capacity, triggering a regulatory corrective action requiring the expansion work to take place.

The current expansion commenced in 2013, but was divided into several packages. In 2013, the city awarded a design contract to Waterworks Engineers, LLC for the engineering needed to complete the expansion. The expansion was broken into packages 6, 7, 8A & 8B. Packages 1 through 5 addressed previous expansions leading to the current 4 MGD capacity and packages 6 through 8A have been recently completed.

Looking at the opportunity to gain efficiencies in project delivery, the current project team looked at the 2015 Council-adopted new rate structure that included several projects that would provide reliability and redundancy for the water and wastewater system. Several projects were identified for the Goodyear WRF as part of the list of project costs considered in the new rate plan. In order to simplify delivering the project, projects have been combined with available funds for the plant expansion and will be constructed under this 8B package.

On May 8, 2017, Felix Construction was awarded a contract for Construction Manager at Risk (CMAR). Working in conjunction with the city and the Design Engineer, Felix Construction developed a Guaranteed Maximum Price (GMP) proposal to complete package 8B, the necessary improvements for the plant expansion to 6 MGD.

STAFF ANALYSIS:

This project is needed to meet regulatory requirements due to the current flows and has been identified in the Integrated Water Master Plan. The city is utilizing the Construction Manager at Risk approach to bring the best available construction experience and expertise together to meet the budget and schedule challenges presented by this project.

The current construction Package, identified as 8B Project, includes the final facility expansion elements needed to obtain a plant capacity increase from 4 to 6 MGD. Major elements of the project are focused on increasing the capacity of the facility as well as improving its reliability through projects not directly connected to the expansion but needed to support the treatment of higher flows. Additionally, the scope also includes items missed in the original scopes that are needed in the reliable and safe operation of a modern facility. These items include pavement, security, drainage, and modernization of laboratory and maintenance facilities. The assessment of needed project elements gave the current project team an opportunity to correctly scope and accurately estimate the cost of the project. Although all major items tied to the expansion had been previously identified in the original scope, these costs had not been accurately assessed and were further impacted by continuous escalations in the construction market. The current estimates are based on final plant expansion design and a cost provided by Felix Construction.

FISCAL ANALYSIS:

Individual projects comprising the expansion and upgrades include GWRF 2 MGD Expansion (WW1301), and GWRF Expansion 4 to 6 MGD (WW1605). The individual elements comprising the operational improvements include GY WRF Solids Centrifuge (WW1702), GY WRF Solids Facility (WW1703), and GY WRF South Aerobic Digester (WW1704). The projects were budgeted individually based on the Integrated Water Master Plan. Combining these projects into one will facilitate a smooth project delivery, better integration of the project elements, and eliminate potential overlap and redundant tasks.

Based on the portion of the project that is expansion or growth related, \$10.4 million of the contract is impact fee eligible with the balance of \$4.1 million needing to be funded from existing rate payer revenue.

The budget currently available from the combined project budgets totals \$9,212,600, of which \$2,287,700 is Wastewater Operating funds and \$6,924,900 is Impact Fee funds. The difference of \$5,293,300 will ultimately be funded by a combination of wastewater rate payer revenues as either debt service on bonds or from wastewater operating fund balance and from new impact fees.

However, until the impact fee update is complete and the increased project expansion costs added to those fees, another funding source must be used to allow the project to move forward now. The adopted wastewater five-year rate plan included \$7.5 million in bond funding for capital projects. That bond capacity is the recommended funding source. Bonds, if needed, would not be issued until the impact fee plan is adopted with an updated cost for this project.

RECOMMENDATION:

Staff recommends the approval of an expenditure of the amount of \$14,505,864 for the Goodyear WRF Package No. 8B 4.0 to 6.0 MGD Expansion Project and required budget transfers to combine the projects and add the \$5.3 million in Wastewater Bond funds. This expenditure would allow the city to enter into a contract with Felix Construction Company for these services.

ATTACHMENTS:

1. Contract Change Order and Attachments
2. Area Site Map