Recommendation for Action

File #: 22-3479, **Agenda Item #:** 14. 12/8/2022

Posting Language
Approve a resolution finding that the use of the Construction Manager-at-Risk method of contracting, as authorized by Subchapter F, Chapter 2269 of the Texas Government Code, is the project delivery method that provides the best value to the City for the Walnut Creek Wastewater Treatment Plant Expansion to 100 Million Gallons Per Day project.

[Note: MBE/WBE goals will be established prior to issuance of this solicitation].

Lead Department
Financial Services Department.

Managing Department
Financial Services Department.

Fiscal Note
A Recommendation for Council Action with the not to exceed contract amount for the resultant contract will be presented to Council once the Construction Manager-at-Risk selection has been completed.

Purchasing Language:
This request is for Council to authorize the use of the Construction Manager-at-Risk; therefore, no solicitation has yet been initiated.

For More Information:
Direct inquiries to Rolando Fernandez, 512-974-7749 or Beverly Mendez, 512-974-3596.

Additional Backup Information:
State Statute governs construction procurement for municipalities. The standard method of contracting used for construction services is competitive bidding where the contract is awarded to the lowest responsible bidder. Texas Government Code Chapter 2269 allows for methodologies alternate to low bidding method which may provide the best value to the municipality. These alternate methodologies include: Competitive Sealed proposals, Construction Manager-at-Risk (CMR), Design-Build, and Job Order Contracting. Texas Local Government Code Section 252.022(d) allows the City to adopt and use an alternative method such as CMR under Chapter 2269 of the Texas Government Code if such a method provides a better value for the City.

The CMR method is a project delivery method in which the City will contract with an architect/engineer to perform design services and separately contract with a CMR to perform preconstruction and construction phase services. The role of the CMR goes beyond performing services as a general contractor. The CMR is under contract early in the design process to perform key preconstruction phase services such as collaboration with the City and the design team on scope and constructability and to optimize the design, control costs and budgets, and provide quality assurance/quality control. After design and before the CMR begins construction, the City will negotiate and execute a Guaranteed Maximum Price for the remainder of the work to include actual construction.

A CMR firm will be selected by a City-staffed evaluation panel that will evaluate and score proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code 2269, the City of Austin will select a CMR firm that will provide the “best value” to the City for preconstruction and construction services for the Project.

The Walnut Creek Wastewater Treatment Plant (WWTP) receives wastewater flow from Austin Water's wastewater collection system. The plant was originally built in 1977. Over the years, the treatment plant has undergone numerous improvements and upgrades to modernize treatment methods as well as expand treatment capacity to 75 million gallons per day (MGD) with a two-hour peak flow of 165 MGD. Treated plant effluent is discharged into the Colorado River. A portion of the treated effluent is used for non-potable water on the plant site and supplies much of the City’s Reclaimed Water program.

This project will expand the plant to treat and discharge an annual average daily flow of 100 MGD and a two-hour peak flow of 300 MGD. The expansion is needed based on projected future flows of wastewater into the plant, in accordance with Texas Commission on Environmental Quality (TCEQ) regulations and the requirements of Texas Administrative Code. Additionally, the project will implement Biological Nutrient Removal (BNR) in the existing facilities and proposed facilities to meet more stringent effluent quality limits in the plant’s discharge permit issued by TCEQ that go into effect with the expansion. The project includes several distinct components: a new 25 MGD treatment train with BNR, upgrade of the existing treatment to BNR, new peak flow treatment, new influent siphons, new effluent pipe and outfall, and a flood wall around the site.

The Walnut Creek WWTP Expansion to 100 MGD is a complex and large-scale project, with many distinct work areas, complex site utilities and connections, complex rehabilitation and upgrade of existing treatment trains, and a critical schedule with potential regulatory impacts. The CMR delivery method will allow close coordination between the design team, contractor, subcontractors, and the City team during the design phase to address many complexities and risks. These risks include but are not limited to: maintaining operation of the existing 75 MGD treatment plant, coordinating and providing construction management of many distinct and large work areas, integrating with the existing plant, sequencing constraints and opportunities, and meeting a critical timeline for project completion.

The estimated construction budget for this work is $750,000,000 and it is anticipated that construction will begin in the Fall of 2024.

A delay in authorization of the methodology will result in a delay in the issuance of the solicitation and will affect the ability to perform these improvements in a timely manner. It is important for this project to move forward because of the criticality of the equipment in the wastewater treatment process. If the project is not approved and delayed, Walnut Creek WWTP’s ability to reliably accept and treat wastewater may be impacted.

This solicitation and evaluation process is approximately six months.

Strategic Outcome(s):

Health and Environment.