Recommendation for Action

File #: 23-2927, **Agenda Item #:** 50. 9/21/2023

Posting Language

Authorize negotiation and execution of a Construction Manager at Risk contract for pre-construction and construction services for the Walnut Creek Wastewater Treatment Plant Expansion with McCarthy Building Companies, Inc., in an amount not to exceed $760,000,000.

[Note: This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program) by meeting the goals with 11.86% MBE and 5.63% WBE participation for pre-construction phase services].

Lead Department

Financial Services Department.

Managing Department

Capital Delivery Services.

Fiscal Note

Funding is available in the Capital Budget of Austin Water.

Purchasing Language:

The Financial Services Department issued a Request For Qualifications (RFQS) 6100 CLMA050 for these services. The solicitation was issued on January 30, 2023, and closed on April 25, 2023. Of the four offers received, the recommended contractor submitted the best evaluated responsive offer. A complete solicitation package, including a log of offers received, is available for viewing on the City's Financial Services website, Austin Finance Online. Link: Solicitation Documents <https://financeonline.austintexas.gov/afo/account_services/solicitation/solicitation_details.cfm?sid=138027>.

Prior Council Action:

July 29, 2020 - Council authorized initial contract, item 15, on a vote of 10-0 with Mayor Adler off the dais.

July 28, 2022 - Council authorized an amendment, item 37, on a vote of 10-0 with Council Member Fuentes off the dais.

December 8, 2022 - Council authorized use of Construction Manager at Risk alternative delivery procurement method, item 14, on a vote of 11-0.

For More Information:

Direct questions regarding this Recommendation for Council Action to the Financial Services Department - Central Procurement at: FSDCentralProcurementRCAs@austintexas.gov <mailto:FSDCentralProcurementRCAs@austintexas.gov> or 512-974-2500. Respondents to the solicitation and their Agents should direct all questions to the Authorized Contact Person identified in the solicitation.

Council Committee, Boards and Commission Action:

August 9, 2023 - Recommend by the Water and Wastewater Commission on a 6-0 vote with one absence and four vacancies.

Additional Backup Information:

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 will also convert the disinfection method from chlorine gas to ultraviolet (UV) disinfection. The project includes several distinct components: a new 25 MGD treatment train with BNR and UV, upgrade of the existing treatment to BNR and UV, 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 Construction Manager at Risk 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 $760,000,000 and it is anticipated that construction will begin in the Fall of 2024.

Prior to entering the Construction Phase, the City will establish Minority-owned Business Enterprise and Women-owned Business Enterprise goals for construction and the Construction Manager at Risk firm will submit a Compliance Plan meeting the construction goals or documentation detailing their good faith effort(s) to meet the established goals. Additional subcontracting opportunities will also arise during the Construction Phase of this project; however, the specific scopes and magnitude of the construction work cannot be determined until design has been sufficiently completed.

The Construction Manager at Risk method is a project delivery method where the City will contract with an architect/engineer to perform design services and separately contract with a Construction Manager at Risk firm to perform preconstruction and construction phase services. The role of the Construction Manager at Risk firm goes beyond performing general contractor services. The Construction Manager firm is under contract early in the design process to perform key preconstruction phase services such as collaborating with the City and the design team on scope and constructability and to optimize the design and control costs and budgets, and to provide quality assurance-quality control. As designs of work packages are completed, and before the Construction Manager firm begins construction on each work package, the City will negotiate and execute a Guaranteed Maximum Price for the work package, including actual construction.

The Construction Manager firm is recommended by a City-staffed evaluation panel that evaluated and scored proposals based on published evaluation criteria to determine the highest ranked proposer. As set forth in Government Code Chapter 2269, the City will select a construction manager firm that will provide the "best value" to the City for preconstruction and construction services for the project.

The Walnut Creek WWTP provides high-quality wastewater treatment for a large portion of the City and is a critical element of the overall community's basic utility infrastructure. The plant is located within the East Austin community, and Austin Water is dedicated to continuing to be a good neighbor and address potential community impacts as we work to improve this facility to meet stringent environmental standards and to serve the growing needs of our City.

Austin Water has engaged neighbors and interested residents to make them aware of the project and to seek their input on possible concerns and community enhancements that could result from the project. We use a variety of community outreach strategies, including outreach to community groups, social media, online resources, and neighborhood meetings. During the project, Austin Water will continue to provide timely updates throughout the design process to enable community engagement.

Although this construction project will take place within the existing boundary of the Walnut Creek Wastewater Treatment Plant, anticipated public impacts may include:

- Increase of construction traffic on FM 969 (starting in or after 2024).
- Possible traffic detours on FM 969 near Johnny Morris Rd. (starting in or after 2024).

Anticipated benefits of the project include:

- Improved quality of treated effluent to the Colorado River, upon completion of the project (starting around 2028).
- Increased available wastewater treatment capacity for Austin residents (starting around 2028) meeting growth needs in our community for the planning horizon.
- Increased availability of reclaimed water (starting around 2028) to serve existing and future reclaimed water customers.
- Implementation of additional measures to address aesthetics, such as odor and noise control.

This construction contract is time sensitive and is critical to the improvement of the infrastructure stability of Austin's wastewater treatment system. Delay or deferral of this contract will affect the ability to perform the improvements and upgrades in a timely manner and meet regulatory requirements.

The contract allows 2,000 calendar days for completion of this project. This project is located within zip code 78724 (District 1).