

**Posting Language**

Recommend approval to negotiate and execute an amendment to the contract with MGC Contractors, Inc. for the Walnut Creek Primary Clarifier and Flow Equalization Basin Rehab project in an amount of \$127,300,000 not to exceed \$160,000,000. (District 1)

**MBE/WBE**

This contract will be awarded in compliance with City Code Chapter 2-9A (Minority Owned and Women Owned Business Enterprise Procurement Program). Current participation to date is 2.21% MBE and 0.25% WBE.

**Lead Department**

Financial Services Department

**Client Department**

Austin Water Assistant Director of Engineering Services, Charles Celauro

**Fiscal Note**

Funding is available in the Capital Budget of Austin Water.

**Purchasing Language:**

Contract Amendment

**Prior Council Action:**

July 28, 2022 – City Council authorized negotiation and execution of a construction manager-at-risk agreement with MGC Contractors, Inc.

December 9, 2021 – City Council authorized use of construction manager-at-risk alternative delivery procurement method.

**Council Committee, Boards and Commission Action:**

May 8, 2024 - To be reviewed by the Water & Wastewater Commission.

**Additional Backup Information:**

Walnut Creek Wastewater Treatment Plant (WWTP) is permitted to treat and discharge an average daily flow of 75 million gallons per day (MGD) and a 2-hour peak flow of 165 MGD. A portion of the plant effluent is used for non-potable water (NPW) at the plant site and to supply much of the City's growing Water Reclamation Initiative (WRI) program. The remainder plant effluent is discharged into the Colorado River.

The purpose of this project is to rehabilitate and make improvements to Primary Treatment Complex (PTC) No. 1, built in 1977, and PTC No. 2, built in the late 1980s. Each PTC consists of two trains of primary clarifiers and in-line flow equalization basins (FEBs). Wastewater flows through the primary clarifiers, then continues to the in-line FEBs. Following the PTCs, the settled wastewater is pumped to secondary treatment for further treatment, and solids from the primary clarifiers are

pumped to Hornsby Bend Biosolids Management Plant. Most of the mechanical and other components in PTC No. 1 and No. 2 are beyond their useful life and are required to be replaced.

The project's solicited construction value was based on a 2021 preliminary engineering report. Based on the current 60% cost model, the new estimated cost of construction is now \$160 million. This request reflects additional requirements identified during the development of the project's estimated four Guaranteed Maximum Price (GMP) proposals. Cost increases include key electrical and mechanical equipment, requirements to isolate the treatment trains and complexes, and more extensive structural repairs. The work will also require an extended construction timeline and coordination with other plant improvements and expansion. This amendment is needed to move the project forward into bid and construction phase with an anticipated substantial completion in December 2029.

This project does not impact the traveling public because all construction work will be completed on City property that is not open to the public.

This contract is critical to the improvement of the infrastructure stability of Austin's wastewater treatment system. Delay or deferral will require Austin Water's operation crews to perform additional operations and maintenance work at the PTCs until the units are replaced and increase the risk to the operations of the wastewater treatment system.

This project is located within zip code 78724, District 1.

**M/WBE Summary**

Participation goals stated in the original approved compliance plan for pre-construction services were 4.32% African American; 4.03% Hispanic; 2.44% Native Asian; and 3.07% WBE.

Additional authorization has been listed under the Prime contractor. Subcontractor participation for this authorization is unknown. Prior to issuance of a notice to proceed, the Prime contractor will submit their subcontractor utilization plan that will demonstrate how they will use their approved subcontractors in accordance with the established procedures and the MBE/WBE Procurement Ordinance and Rules.

NON M/WBE TOTAL – PRIME	\$127,300,000.00	100.00%
MGC Contractors, Inc., New Braunfels, TX	\$127,300,000.00	100.00%

**Overall participation based on expenditure for the entire project as of April 19, 2024, (not including this amendment):**

**PRIME:**

97.54% Non M/WBE

**SUBCONSULTANTS:**

African American 0.00%, Hispanic 1.47%, Asian/Native American 0.00% and 0.25% WBE

**TOTAL:**

2.21% MBE; 0.25% WBE; 97.54% Non M/WBE

## AUTHORIZATION HISTORY

AMOUNT	DATE	DESCRIPTION
\$32,700,000.00	07/28/22	(Council) – Award of Construction Manager-at-Risk to MGC Contractors, Inc.
\$66,000.00	07/28/22	Administrative Authority
\$127,300,000.00	05/30/24	Proposed (Council) - Additional Authorization for the Construction Manager-at-Risk
\$160,066,000.00		<i>Total Contract Authorization</i>

## CONTRACT HISTORY

AMOUNT	DATE	DESCRIPTION
\$608,453.71	12/19/22	Initial Contract Agreement – Preconstruction Phase Services
\$0.00	07/24/23	SA#1 – Amend Sections 0500, 0810 and 425B
\$15,181,377.64	02/06/24	SA#2 – GMP1 – Constructing Meter Vault and Long lead items
\$31,470.11	02/27/24	SA#3 – Additional Pre-Construction Services
15,821,301.46		<i>Total Contract History</i>