

Memorandum



CITY OF DALLAS

DATE October 18, 2024

TO Honorable Members of the Transportation and Infrastructure Committee: Omar Narvaez (Chair), Zarin Gracey (Vice Chair), Tennell Atkins, Cara Mendelsohn, Jaime Resendez, Jaynie Schultz, Kathy Stewart

SUBJECT **Elm Fork Water Treatment Plant Water Quality Improvements Program by Construction Manager-at-Risk**

The Elm Fork Water Treatment Plant (EFWTP) located in Carrollton, Texas was originally constructed in the 1950s and is the second largest of three water treatment plants serving Dallas Water Utilities (DWU) customers. In 2006, DWU commissioned a Water Quality Study that included the evaluation of finished water quality at each of its three water treatment plants. The recommendations included the implementation of biologically active filtration at each plant. DWU has successfully executed the implementation of these improvements at the East Side and Bachman Water Treatment Plants and is working to implement improvements at the EFWTP. The next steps include construction of a new filter complex and sedimentation basins, pre-sedimentation basins and plant influent improvements, and chemical improvements to convert treatment operations, improve finished water quality, address hydraulic limitations and replace existing infrastructure at the end of its useful life.

DWU evaluated delivery methods for the EFWTP Water Quality Improvements (WQI) Program and determined Construction Manager-at-Risk (CMAR) to be the best approach based on management of the overall schedule, allowing assets to be placed in service sooner, increased cash flow flexibility to meet fiscal constraints, increased cost certainty, better management and mitigation of project risks, and to reduce the potential for gaps between projects where completed assets would remain inactive. In April 2024, DWU issued a request for proposals for a CMAR to provide preconstruction and construction phase services for the EFWTP WQI Program. Three companies submitted proposals. Based on experience, qualifications, project approach and the cost proposal, DWU selected Archer Western Construction, LLC as the best value proposer.

DWU requested City Auditor engagement in the project based on the requirements set forth in Administrative Directive 4-05, Section 9.5.5. The City Auditor performed the agreed-upon procedures to assist the City Council in evaluating DWU and the Office of Procurement Services' compliance with requirements of the administrative directive, relevant Texas statutes, and City of Dallas contracting and delivery procedures. An independent report was issued on August 15, 2024, by the City Auditor and no exceptions were found for the 17 Agreed-Upon procedures.

The CMAR will execute the WQI in two phases: pre-construction services and construction services. During the pre-construction phase, the CMAR will provide project

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management and planning, work closely with the engineer and DWU to provide constructability reviews and recommendations, conduct biddability, risk reviews and value engineering, and prepare Guaranteed Maximum Price (GMP) proposals for each improvement component.

DWU has budgeted for six (6) GMPs over a period from 2025 thru 2031 to complete all improvement components. The anticipated construction cost for the WQI program is estimated at approximately \$500 to 550 Million and will be completed in 2033. DWU will work collaboratively with the CMAR and the engineer to refine proposed improvement components and develop GMPs for each. All GMPs will be brought forward for individual consideration and approval by City Council after extensive review by DWU and its engineer.

Two agenda items are scheduled for City Council consideration on November 13, 2024. The first item is for a preconstruction services contract with Archer Western Construction, LLC in the amount of \$4.1 Million. The second is a supplemental agreement with Arcadis U.S., Inc. to continue with design and construction phase services for the EFWTP WQI Program in an amount not to exceed \$7.5 Million.

If you have any questions, please contact Sarah Standifer, Director of Dallas Water Utilities.



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Assistant City Manager

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