



City of Fayetteville, Arkansas

113 West Mountain Street
Fayetteville, AR 72701
(479) 575-8323

Legislation Text

File #: 2024-53

Garney Companies, Inc. - Change Order No. 1 for West Corridor Water Transmission Line

A RESOLUTION TO APPROVE CHANGE ORDER NO. 1 WITH GARNEY COMPANIES, INC. IN THE AMOUNT OF \$75,450,081.00 FOR CONSTRUCTION MANAGER AT-RISK SERVICES FOR THE WEST CORRIDOR WATER TRANSMISSION LINE PROJECT

WHEREAS, the City of Fayetteville needs to construct a new 48” water transmission line about 11.4 miles north just across the Benton County line near Highway 112 and the Springdale Northern Bypass to access Beaver Water District’s new 60” water transmission line to improve hydraulics, provide critical redundancy for our two older transmission lines (57 and 31 years old), and ensure overall resilience of our system; and

WHEREAS, Garney Companies, Inc. was selected by RFQ 23-05 and entered into a contract with the City approved by Resolution 243-23 for construction manager at-risk services for this West Corridor Water Transmission Line Project; and

WHEREAS, to meet the project’s \$85 Million loan closing deadline of June 30, 2024, with the Arkansas Natural Resources Commission, a guaranteed maximum price must be established by Garney Companies, Inc., approved by the Fayetteville City Council and submitted to the Arkansas Natural Resources Commission immediately following the May 7, 2024 City Council Meeting.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FAYETTEVILLE, ARKANSAS:

Section 1: That the City Council of the City of Fayetteville, Arkansas hereby approves Change Order No. 1 with Garney Companies, Inc. as the construction manager at-risk in the amount of \$75,450,081.00 as the approved guaranteed maximum price for the West Corridor Water Transmission Line Project.



MEETING OF MAY 7, 2024

TO: Mayor Jordan and City Council
THRU: Susan Norton, Chief of Staff
FROM: Tim Nyander, Utilities Director
SUBJECT: **Garney Companies, Inc. - Change Order No. 1 for West Corridor Water Transmission Line**

RECOMMENDATION:

Staff recommends approval of Change Order No. 1 with Garney Companies, Inc. in the amount of **\$75,450,081.00** for the West Corridor Water Transmission Line Project.

BACKGROUND:

The City of Fayetteville owns and operates two parallel water transmission lines from Beaver Water District (BWD) in Lowell that enter from the northeast corner of the City. These lines are a 36-inch pipe installed in 1967 and a 42-inch pipe installed in 1993. BWD intends to build a western water distribution point near HWY-112 and the newly constructed Springdale Northern Bypass, HWY-612. This facility will supply a western water transmission feed to all four customer cities, helping with hydraulics, critical redundancy, and overall utility resiliency. Fayetteville's 11.4-mile connection to the proposed BWD facility is currently under engineering design and permitting.

Garney Companies, Inc. was selected (RFQ 23-05) and a contract executed (Res. 243-23) for Construction Manager At-Risk services on this project. Garney's pre-construction services have been ongoing, with the project successfully on-track with permitting and procurement goals.

DISCUSSION:

To meet the project's loan closing deadline of June 30th, 2024 with ANRD, a Guaranteed Maximum Price (GMP) must be established by Garney, approved by the Fayetteville City Council via change order, and submitted to ANRD immediately following the May 7th City Council meeting. The GMP developed by Garney includes known material procurement pricing received through sealed competitive bidding on April 5th, 2024 and includes detailed construction estimates by Garney of the 90% Construction Documents prepared by McClelland Consulting Engineers.

BUDGET/STAFF IMPACT:

On August 1st, 2023, City Council approved Resolution 169-23 approving a Budget Adjustment to recognize loan funding from the Arkansas Natural Resources Commission in the amount of \$85,000,000.00, contingent on the approval of the bond issuance and the completion of the loan closing.

On April 16th, 2024, Ordinance 6737 was approved by the City Council authorizing the issuance and sale of a not to exceed \$85,000,000.00 Water and Sewer System Revenue Bond, Series 2024. Once the execution and

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delivery of a bond purchase agreement providing for the sale of the bond has been done, the Budget Adjustment will be posted.

ATTACHMENTS: SRF (#3), Recommendation of Approval from McClelland Consulting Engineers (#4), Garney Companies, Inc. - GMP Submission (#5)

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