



Cover Memorandum/Staff Report

File #: 25-1501

Agenda Date: 12/8/2025

Item #: 7.A.

TO: Mayor and Commissioners
FROM: Hassan Hadjimiry, P.E., Utilities Director
THROUGH: Terrence R. Moore, ICMA-CM
DATE: December 8, 2025

APPROVAL OF AMENDMENT NO. 3 TO PROGRESSIVE DESIGN-BUILD AGREEMENT (DBIA) CONTRACT NO. 545, PURSUANT TO RFQ NO. 2023-066, (PROJECT NO. 23-005U), WITH CDM CONSTRUCTORS, INC., FOR PHASE II, ENGINEERING SERVICES DURING CONSTRUCTION (ESDC) IN A GUARANTEED MAXIMUM PRICE (GMP) OF \$228,924,854.

Recommended Action:

Motion to approve Amendment No. 3, to Progressive Design-Build Agreement (DBIA) Contract No. 545, pursuant to RFQ No. 2023-066, (Project No. 23-005U) with CDM Constructors, Inc., for Phase II, Engineering Services During Construction (ESDC) in a Guaranteed Maximum Price (GMP) of \$228,924,854.

Background:

On March 25, 2024, CDM Constructors, Inc., (CDM) entered into a Design-Build Agreement (DBIA) Contract No. 545, with the City of Delray Beach pursuant to City of Delray Beach RFQ 2023-066, for (Phase I) Progressive Design Build Project.

On December 17, 2024, City Commission approved Amendment No. 1, which increased the design capacity of the new Water Treatment Plant from 14 million gallons per day (MGD) to 22 MGD. This modification was made in response to new and more stringent regulations issued by the U.S. Environmental Protection Agency (EPA).

On October 14, 2025, City Commission approved Amendment No. 2, authorizing additional design services under Phase I, and certain construction-related services under Phase II. The additional Phase I scope included expanding the proposed back up generator system to provide emergency power for both the existing water treatment facilities and the new administrative building. The Phase II services authorized under Amendment No. 2 included procurement of long-lead equipment necessary for the construction of the new water treatment plant to mitigate potential schedule delays. Additionally, Amendment No. 2 included engineering and design services during construction, to be provided by (CDM), in support of the deep injection wells to be constructed by others.

Amendment No. 3 establishes a Guaranteed Maximum Price (GMP) of \$228,924,854, for Phase II services related to the construction of the new Water Treatment Plant. With the approval of Amendment No. 3, the cumulative GMP including the original contract, Amendments No. 1, 2, and 3 totals \$287,437,169.

Funding for the project is being provided through the proceeds of two (2) revenue bonds. The first bond, in the amount of \$155,379,591.76, was issued in September 2025, and the second issuance is anticipated in July 2026. No additional City funds are required beyond the bond proceeds allocated for this project.

The same terms and conditions of the Agreement for Amendment No. 1, and Amendment No. 2 remain in full force. Utilities Department is requesting approval of Amendment No. 3 to proceed with Design-Builder (CDM) for (ESDC). This motion is in accordance with the City Code of Ordinances, Section 36 and City Policies and Procedures.

City Attorney Review:

Approved as to form and legal sufficiency.

Attachments:

1. Amendment No. 3, RFQ 2023-066
2. Legal Review Checklist
3. GMP "Exhibit A"

Funding Source/Financial Impact:

443-36-260-536.63-90 Utilities Capital Outlay Other Improvements (Finance Project ID #36001 Membrane Softening Plant)

Timing of Request:

Approving this agreement is time sensitive in order to meet the established completion date and maintain the construction schedule.