

**TOWN OF JOHNSTOWN  
PROFESSIONAL SERVICES AGREEMENT**

**THIS PROFESSIONAL SERVICES AGREEMENT** (the “Agreement”) is made and entered into this 6 day of February 2023 (the “Effective Date”) by and between the Town of Johnstown, Colorado, a Colorado home-rule municipal corporation (the “Town”) and MWH Constructors, Inc., a Foreign Corporation (“Contractor”) (collectively, the “Parties”).

**RECITALS**

**WHEREAS**, the Town desires to engage the services of Contractor and Contractor desires to provide those services more fully described on Exhibit A, attached hereto and incorporated herein by reference (“Services”), to the Town; and

**WHEREAS**, the Parties wish to memorialize their contractual relationship.

**AGREEMENT**

**NOW, THEREFORE**, incorporating the foregoing Recitals herein and in consideration of the mutual promises, agreements, undertakings and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby mutually agree as follows:

**SECTION 1: PARTIES**

1.01 Town. The Town is a home-rule municipal corporation located in Johnstown, Colorado.

1.02 Contractor. Contractor is a private, independent business entity who will exercise discretion and judgment of an independent contractor in the performance and exercise of its rights and obligations under this Agreement.

**SECTION 2: SERVICES, COMPENSATION AND TERM**

2.01 Services. Contractor agrees to perform the Services for the Town.

2.02 Compensation. In consideration of Contractor’s performance of the Services contemplated herein, the Town agrees to pay Contractor the compensation set forth on Exhibit A. Contractor shall submit detailed invoices reflecting the portion of the Services completed to the date of the invoice. The Town shall provide payment for Services to Contractor within thirty (30) days of receipt of the invoice. In its discretion, the Town may withhold payment for disputed portions of invoices on the condition that the Town provides written notice to Contractor of the dispute. Upon delivery of notice, the Town and Contractor shall promptly endeavor to resolve such dispute.

2.03 Expenses: Contractor shall not incur any expense or debt on behalf of the Town

without the Town's prior written authorization.

2.04 Term. Unless otherwise terminated in accordance with Section 5, the term of this Agreement shall be from the Effective Date through December 31, 2023 and shall not extend beyond that date absent the written approval of the Town.

### **SECTION 3: OPERATIONS**

3.01 Contractor Status. Contractor avers that it has the background, expertise and education to provide the Services. Contractor shall be responsible for the proper performance of the Services in accordance with the terms hereof. Contractor shall obtain the necessary permits, if any, and maintain all required licenses, including but not limited to a Town business license.

3.02 Schedule. Unless otherwise set forth in Exhibit A, Contractor shall provide the Services in accordance with the timeline requested by the Town

### **SECTION 4: INSURANCE AND INDEMNITY PROVISIONS**

#### 4.01 Insurance.

A. Contractor understands and agrees that Contractor shall have no right of coverage under any existing or future Town comprehensive or personal injury liability insurance policies. As a material term of this Agreement, Contractor agrees to maintain and keep in force during the term of this Agreement one or more policies of insurance written by one or more responsible insurance carrier(s) authorized to do business in the State of Colorado in the following amounts:

1. Workers' compensation insurance as required by law;
2. Commercial general or business liability insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000.00) each occurrence and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate;
3. Automobile liability insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION DOLLARS (\$1,000,000) for any one occurrence, with respect to each of Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the Services. In the event that Contractor's insurance does not cover non-owned automobiles, the requirements of this paragraph shall be met by each employee of Contractor who utilizes an automobile in providing services to Town under this Agreement; and
4. Professional liability insurance with minimum limits of ONE MILLION DOLLARS (\$1,000,000.00) each claim and TWO MILLION DOLLARS (\$2,000,000.00) general aggregate.

B. Contractor shall procure and maintain the minimum insurance coverages

listed herein. All coverages shall be continuously maintained to cover all liability, claims, demands and other obligations assumed by Contractor pursuant to this Agreement. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage. The Town shall have the right to request and receive a certified copy of any policy and any endorsement thereto. Except for workers compensation insurance, the Town shall be listed as an additional insured party on Contractor's insurance policies.

C. A certificate of insurance shall be completed by Contractor's insurance agent(s) as evidence that policies providing the required coverages, conditions and minimum limits are in full force and effect, and, upon request by the Town, shall be subject to review and approval by the Town. The certificate shall identify this Agreement and shall provide that the coverages afforded under the policies shall not be canceled, terminated or materially changed until at least thirty (30) days prior written notice has been given to Town. If the words "endeavor to" appear in the portion of the certificate addressing cancellation, those words shall be stricken from the certificate by the agent(s) completing the certificate. The completed certificate of insurance shall be provided to the Town.

4.02 Damage and Indemnity. Contractor assumes full responsibility for any and all damages caused by Contractor's exercise of its activities, or failures to act, under this Agreement. Contractor agrees that it will at all times protect, defend, indemnify and hold harmless the Town, its elected officials, employees, agents, and their successors and assigns, from and against all liabilities, losses, claims, demands, actions and costs (including reasonable attorneys' fees), arising from or related to loss or damage to property or injury to or death to any persons arising from or resulting in any manner from the actions or failures to act of Contractor or any invitees, guests, agents, employees or subcontractors of Contractor, whether brought by any of such persons or any other person.

## **SECTION 5: TERMINATION**

5.01 Termination. [The Town or Contractor] may terminate this Agreement, with or without cause, by providing thirty (30) days prior written notice to [Contractor/the other Party]. Notwithstanding the foregoing, if the Town terminates this Agreement for cause and determines that a notice period is not in the best interests of the Town, the Town may terminate this Agreement by providing written notice to Contractor effective immediately.

## **SECTION 6: INDEPENDENT CONTRACTOR**

6.01 Independent Contractor. Contractor understands and agrees that Contractor is an independent contractor and not an employee of the Town. The Town shall not provide benefits of any kind to Contractor. The Town shall not be responsible for withholding any portion of Contractor's compensation for the payment of Federal Insurance Contributions Act (FICA) tax, workers' compensation, or other taxes or benefits. **CONTRACTOR IS NOT ENTITLED TO UNEMPLOYMENT COMPENSATION COVERAGE FROM THE TOWN. CONTRACTOR IS OBLIGATED TO PAY FEDERAL AND STATE INCOME TAX ON MONEYS PAID PURSUANT TO THIS AGREEMENT.** As long as there is not a conflict of interest with the

Town, Contractor may engage in any other lawful business activities during the term of this Agreement.

## **SECTION 7: NOTICE**

7.01 Notices. All notices required under this Agreement shall be in writing and shall be: 1) hand-delivered; 2) sent by registered or certified mail, return receipt requested, postage prepaid, to the addresses of the Parties herein set forth; or 3) sent by electronic mail (“email”) return receipt or written acknowledgment requested and received. All notices by hand-delivery shall be effective upon receipt. All notices by mail shall be considered effective seventy-two (72) hours after deposit in the United States mail with the proper address as set forth below. All notices by email shall be effective upon acknowledgment of receipt by the intended recipient. Either party, by notice to be given, may change the address to which future notices shall be sent.

### **TO THE TOWN:**

Town of Johnstown  
Attn: Ellen Hilbig  
450 S. Parish Avenue  
P.O. Box 609  
Johnstown, CO 80534  
Email: ehilbig@johnstownco.gov

### **TO CONTRACTOR:**

MWH Constructors Headquarters  
Attn: Tom Paul  
8001 Arista Pl Suite 500,  
Broomfield, CO 80021  
Email: tom.paul@mwhconstructors.com

## **SECTION 8: MISCELLANEOUS**

8.01 Time. Time is of the essence of this Agreement and of each covenant hereof.

8.02 Non-Appropriation of Funds. Pursuant to Section 29-1-110, C.R.S., as amended, financial obligations of the Town payable as set forth herein, after the current fiscal year, are contingent upon funds for that purpose being budgeted, appropriated and otherwise made available. This Agreement shall be terminated effective January 1 of the first fiscal year for which funds are not budgeted and appropriated.

8.03 Laws and Regulations. In the conduct of the Services, Contractor shall comply with all applicable laws, rules and regulations, and the directives or instructions issued by the Town or its designated representatives.

8.04 Assignment; Third Party Rights. Contractor may not assign, delegate or subcontract any part of its rights, duties or obligations under this Agreement. The Parties do not intend to confer any benefit hereunder on any person or entity other than the Parties hereto.

8.05 Amendment. This Agreement may not be amended or modified except by a subsequent written instrument signed by the Parties. Course of performance, no matter how long, shall not constitute an amendment to this Agreement.

8.06 Severability. If any part, term or provision of this Agreement is declared unlawful or unenforceable, the remainder of this Agreement shall remain in full force and effect, except that, in the event any state or federal governmental agency or court determines that the relationship between the Town and Contractor is one of employment rather than independent contractor, this Agreement shall become null and void in its entirety.

8.07 Waiver. No consent or waiver, express or implied, by the Town to or of any breach or default by Contractor in the performance by Contractor of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default by the Town. Failure on the part of the Town to complain of any act or failure to act or to declare Contractor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Town of its rights hereunder.

8.08 Governmental Immunity. The Parties agree that the Town is relying on, and does not waive or intend to waive by any provision of the Agreement, the monetary limitations or any other rights, immunities, and protections provided by the Colorado Governmental Immunity Act, §§ 24-10-101 *et seq.*, C.R.S., as amended from time to time, or otherwise available to the Town, its elected officials, employees or agents.

8.09 Applicable Law and Venue. This Agreement shall be construed according to the laws of the State of Colorado. Venue for any claim, proceeding or action arising out of this Agreement shall be in Weld County, State of Colorado.

8.10 Mediation. In the event of any dispute arising under this Agreement, except in the case of an action for injunctive relief, the Parties shall submit the matter to mediation prior to commencing legal action and shall share equally in the cost of the mediation.

8.11 Costs and Attorney's Fees. If any judicial proceedings may hereafter be brought to enforce any of the provisions of this Agreement, the Town, if the prevailing party, shall be entitled to recover the costs of such proceedings, including reasonable attorney's fees and reasonable expert witness fees.

8.12 Entire Agreement. The provisions of this Agreement represent the entire and integrated agreement between the Town and Contractor and supersede all prior negotiations, representations and agreements, whether written or oral.

8.13 Public Official Personal Liability. Nothing herein shall be construed as creating any personal liability on the part of any elected official, employee or agent of the Town.

8.14 No Presumption. Each Party acknowledges that it has carefully read and reviewed the terms of this Agreement. Each Party acknowledges that the entry into and execution of this Agreement is of its own free and voluntary act and deed, without compulsion. Each Party acknowledges that it has obtained, or has had the opportunity to obtain, the advice of

legal counsel of its own choosing in connection with the negotiation and execution of this Agreement and with respect to all matters set forth herein. The Parties agree that this Agreement reflects the joint drafting efforts of all Parties and in the event of any dispute, disagreement or controversy arising from this agreement, the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship.

8.15 Controlling Document. In the event of a conflict between the provisions in this Agreement and Exhibit A, the provisions in this Agreement shall control.

8.16 Headings. The headings in this Agreement are inserted only for the purpose of convenient reference and in no way define, limit or prescribe the scope or intent of this Agreement or any part thereof.

8.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be an original, but all of which, together, shall constitute one and the same instrument.

8.18 Right to Injunction. The Parties hereto acknowledge that the Services to be rendered by Contractor and the rights and privileges granted to the Town under the Agreement are of a special, unique, unusual and extraordinary character which gives them a peculiar value, the loss of which may not be reasonably or adequately compensated by damages in any action at law, and the breach by Contractor of any of the provisions of this Agreement may cause the Town irreparable injury and damage. Contractor agrees that the Town, in addition to other relief at law, shall be entitled to injunctive and other equitable relief in the event of, or to prevent, a breach of any provision of this Agreement by Contractor.

[Remainder of page intentionally left blank.]



**EXHIBIT A**  
**SERVICES**



## **RFP: SCOPE OF DESIGN PHASE SERVICES**

The selected CMAR will be provided separate contracts for design phase services and construction phase services with the Town. The design phase services agreement will provide for specific services and compensation for project team activities other than construction phase services. The proposed Design Phase services and activities are listed below.

- Participate as a member of the project team in evaluating alternative facility arrangements, construction materials, and sequencing of construction which may affect the selection, design and arrangement of project components.
- Provide input and feedback regarding comparative cost of implementation of required facilities as defined by the project team.
- Provide value engineering assistance to determine options that may reduce the total construction costs of the project (for example, help determine site layout efficiencies or phasing of the project that will reduce total costs).
- Assist and participate as a member of the project team through the completion of construction documents providing a project schedule at approximately two or three additional intervals during completion of the drawings and specifications.
- Assist and participate in any early procurement packages identified by the project.
- Identify appropriate subcontractors and material suppliers that will be invited to participate/bid in the pricing and/or construction of the project. Suitability will be determined by concurrence of the entire project team.
- Assist and participate as a member of the project team through completion of construction documents providing an estimate of probable costs at approximately one or two additional intervals during completion of the drawings and specifications.
- Participate as a member of the project team in the completion and approvals of required permits including building code compliance for the proposed design and construction as needed. This will be a responsibility of the CMAR who shall meet the contractor licensing requirements of the Town.
- Based on a mutually agreed upon completion level of the drawings and specification (for example, 90% design), prepare a final construction project cost in the form of a guaranteed maximum price (GMP). The Town may accept the GMP and use it as a cost basis for the CMAR contract, or reject the GMP, which would terminate the design phase agreement. The Town also reserves the right to compare the GMP independently to ensure the project cost is reasonable.
- The CMAR firm may be requested to commence construction in phases, before Construction Drawings and Specifications are completed. Therefore, pricing of any individual tasks prior to the GMP construction shall be substantiated as an additional service request basis with the predetermined parameters, process and procedures. Allowances for certain tasks or equipment items may be necessary.
- Other required services for project completion outlined in the CMAR Contract.

## **TAB C: COST PROPOSAL:**

As part of the CMAR Construction Phase Contract negotiations the scope of the work and GMP will be established. The project is being funded by Town reserves. It is the Town's intention to minimize the final cost to complete project. Any savings will be accrued to the Town. There is potential that alternative funding sources for the Project may become available. Town may pursue these funding sources and as a result be required to publicly bid the construction services for the Project. Respondents to this RFP are made aware that the CMAR selection, construction schedule, funding, and other services may be revised per the outcomes of the Infrastructure Bill. Contractor will work with design team to value engineer costs to meet the Town's budget.

### ▪ Design Phase Services:

Provide hourly rates for the proposed key project staff from your firm (and subcontractors if necessary) for assistance to the project design team during the design phase of a project. Present these rates in a unit pricing format for each of the CMAR's representatives, staff members, and/or subcontractors that are proposed to participate as members of the project team in the design phase activities.

Provide a total design phase budget based on the following:

1. Project kick-off meeting: 1 meeting, 4-hours each
2. Progress Meetings: 1hr each Bi-Weekly – assume 18
3. Project Design Workshops: 2x each month in person , 3-hours each – assume 18
  - a. Schedule & Sequencing Workshop: 60% & 90%
  - b. Value Engineering Workshop: 60% & 90%
  - c. Risk & Opportunity Assessment Workshop: 60% & 90%
4. Design Review & Procurement Plan/Packages: 60% & 90% - assume 80 hours
5. In-house project estimating and other design phase services: - assume 120 hours
  - a. 60% Project Budget & Construction Cost Development:
  - b. 90% GMP Project Budget & Construction Cost Development:
6. Other costs if the CMAR considers inclusive of design phase services; e.g., reproductions, travel time, that it should be compensated.
  - a. Condition Assessment for DAF Building Upgrades – assume 40 hrs

### GMP Approach:

Discuss how the GMP will be determined for construction phase of the project. In addition, included as supplement to the GMP Approach; provide the following:

1. Itemized unit labor cost for personnel on the CMAR's staff expected to be involved in the project; i.e., cost per hour by job title or labor classification. Itemize for each labor category the unit payroll cost and the direct labor overhead cost applicable to each labor hour charged.
2. Provide the factor, percentage or lump sum, or other manner of pricing of the CMAR's general overhead required to be compensated during the construction phase.
3. Provide a detailed description and manner of determination of the CMAR's fee and/or profit factor desired to be attained and priced in the GMP.

4. Describe your approach to developing a cost to complete this project. How will this affect your firm's design input?
5. Describe contingency, how it is managed, and use of contingency.
6. Describe your approach to developing value engineering ideas through construction delivery to enhance the work product while potentially saving cost.
7. Provide an itemization, if any, of CMAR's overhead, fee, and/or profit to be applied to both materials and subcontractor costs incorporated into the project.
8. Provide an itemization of the CMAR's proposed equipment and temporary facilities to be used and/or installed at the project site together with applicable unit pricing proposed for compensation throughout the project. Examples include company owned vehicles, field office, storage facilities, toilet(s), dumpster(s)/ debris disposal. Include any project specific operation and maintenance costs (communication services/equipment, employee accommodations. When describing equipment, address owned, leased or rented equipment. Include a description and example of the way a "small tool allowance" and expendable tools and parts will be compensated.
9. Describe the approach, general facilities, and basis of compensation for construction and maintenance of a temporary power system during construction.
10. Describe any additional cost elements or factors applied to project labor, materials, equipment or subcontractor's costs to determine the GMP.
11. Itemize and describe the rates and/or other cost factors in providing comprehensive general liability, auto liability, and builders risk insurance during the construction period.
12. Describe and itemize the rate applicable to this project which will be utilized to determine the payment and performance bond premiums for the project.
13. Itemize those factors involved in change orders, contract modifications order and/or adjustments to the GMP including supervision allowance (i.e., percentage of direct labor hours, cost or other approach), labor and material markups and overhead and profit percentages if they are different than the factors used in determining the initial GMP.

# C.

## COST PROPOSAL



**DESIGN PHASE SERVICES PROPOSED RATES**

MWH Constructors

**Town of Johnstown, Water Treatment Plant Expansion Project**  
 CMAR Design Phase (Preconstruction) Services - Cost Proposal  
 Date: Dec. 1, 2022

**Design Phase, Preconstruction Services Cost Proposal Summary**

Description	Project Executive	Preconstruction Manager	Project Manager	Project Superintendent	Electrical Superintendent	Lead Estimator	Quality Engineer	Safety Engineer	Total
	<i>Tom Paul</i>	<i>Tom Paul</i>	<i>Kane Bormann</i>	<i>Tyler Hendrix</i>	<i>Victor Ebara</i>	<i>Brett Henderson</i>	<i>TBD</i>	<i>TBD</i>	
		<b>\$187</b>	<b>\$130</b>	<b>\$127</b>	<b>\$120</b>	<b>\$134</b>	<b>\$95</b>	<b>\$81</b>	
<b>1. Project kick-off meeting: 1 meeting, 4-hours each</b>		4	4	4	4	4			20.0
Subtotal (Hours):	0.0	4.0	4.0	4.0	4.0	4.0	0.0	0.0	20.0
Subtotal (Cost):	\$0	\$749	\$519	\$508	\$482	\$535	\$0	\$0	\$2,793
<b>2. Progress Meetings: 1hr each Bi-Weekly – assume 18 meetings</b>		18.0	18.0	9.0	9.0	9.0			63.0
Subtotal (Hours):	0.0	18.0	18.0	9.0	9.0	9.0	0.0	0.0	63.0
Subtotal (Cost):	\$0	\$3,371	\$2,337	\$1,143	\$1,084	\$1,204	\$0	\$0	\$9,139
<b>3. Project Design Workshops: 2x each month in person , 3-hours each – assume 18</b>									0.0
<i>a. Schedule &amp; Sequencing Workshop: 60% &amp; 90%</i>		18.0	18.0	9.0	9.0	9.0			63.0
<i>b. Value Engineering Workshop: 60% &amp; 90%</i>		18.0	18.0	9.0	9.0	9.0			63.0
<i>c. Risk &amp; Opportunity Assessment Workshop: 60% &amp; 90%</i>		18.0	18.0	9.0	9.0	9.0			63.0
Subtotal (Hours):	0.0	54.0	54.0	27.0	27.0	27.0	0.0	0.0	189.0
Subtotal (Cost):	\$0	\$10,114	\$7,010	\$3,429	\$3,251	\$3,612	\$0	\$0	\$27,416
<b>4. Design Review &amp; Procurement Plan/Packages: 60% &amp; 90% - assume 80 hours</b>									0.0
-60%		20.0	20.0	10.0	10.0	8.0	6.0	6.0	80.0
-90%		20.0	20.0	10.0	10.0	8.0	6.0	6.0	80.0
Subtotal (Hours):	0.0	40.0	40.0	20.0	20.0	16.0	12.0	12.0	160.0
Subtotal (Cost):	\$0	\$7,492	\$5,193	\$2,540	\$2,408	\$2,141	\$1,138	\$978	\$21,889
<b>5. In-house project estimating and other design phase services: - assume 120 hours</b>									0.0
<i>a. 60% Project Budget &amp; Construction Cost Development:</i>		8.0	8.0	8.0	8.0	88.0			120.0
<i>b. 90% GMP Project Budget &amp; Construction Cost Development:</i>		8.0	8.0	8.0	8.0	88.0			120.0
Subtotal (Hours):	0.0	16.0	16.0	16.0	16.0	176.0	0.0	0.0	240.0
Subtotal (Cost):	\$0	\$2,997	\$2,077	\$2,032	\$1,926	\$23,546	\$0	\$0	\$32,578
<b>6. Other costs if the CMAR considers inclusive of design phase services; e.g., reproductions, travel time, that it should be compensated.</b>									0.0
<i>- General Management, Administrative Services</i>		80.0	180.0	80.0	60.0	20.0	8.0	8.0	436.0
<i>a. Condition Assessment for DAF Building Upgrades – assume 40 hrs.</i>		4.0	12.0	8.0	8.0	8.0			40.0



**DESIGN PHASE SERVICES PROPOSED RATES CONTINUED**

MWH Constructors

**Town of Johnstown, Water Treatment Plant Expansion Project**

CMAR Design Phase (Preconstruction) Services - Cost Proposal

Date: Dec. 1, 2022

**Design Phase, Preconstruction Services Cost Proposal Summary**

Description	Project Executive	Preconstruction Manager	Project Manager	Project Superintendent	Electrical Superintendent	Lead Estimator	Quality Engineer	Safety Engineer	Total
	<i>Tom Paul</i>	<i>Tom Paul</i>	<i>Kane Bormann</i>	<i>Tyler Hendrix</i>	<i>Victor Ebara</i>	<i>Brett Henderson</i>	<i>TBD</i>	<i>TBD</i>	
		<b>\$187</b>	<b>\$130</b>	<b>\$127</b>	<b>\$120</b>	<b>\$134</b>	<b>\$95</b>	<b>\$81</b>	
Subtotal (Hours):	0.0	84.0	192.0	88.0	68.0	28.0	8.0	8.0	476.0
Subtotal (Cost):	\$0	\$15,733	\$24,925	\$11,176	\$8,188	\$3,746	\$759	\$652	\$65,178
<b>7. Preliminary GMP</b>									0.0
Early Work / Long Lead Procurement		8.0	60.0	40.0	16.0	24.0	8.0	8.0	164.0
GMP Work Package Plan Development, Work Package Solicitation, Preparation of GMP		40.0	120.0	120.0	40.0	32.0	10.0	10.0	372.0
Subtotal (Hours):	0.0	48.0	180.0	160.0	56.0	56.0	18.0	18.0	536.0
Subtotal (Cost):	\$0	\$8,990	\$23,367	\$20,320	\$6,743	\$7,492	\$1,708	\$1,467	\$70,086
<b>Totals (Hours):</b>	<b>0.0</b>	<b>264.0</b>	<b>504.0</b>	<b>324.0</b>	<b>200.0</b>	<b>316.0</b>	<b>38.0</b>	<b>38.0</b>	<b>1,684.0</b>
<b>Total Hourly Billable Rate:</b>	<b>\$187</b>	<b>\$187</b>	<b>\$130</b>	<b>\$127</b>	<b>\$120</b>	<b>\$134</b>	<b>\$95</b>	<b>\$81</b>	
<b>Total Preconstruction Staff Labor:</b>	<b>\$0</b>	<b>\$49,446</b>	<b>\$65,427</b>	<b>\$41,148</b>	<b>\$24,081</b>	<b>\$42,276</b>	<b>\$3,605</b>	<b>\$3,096</b>	<b>\$229,080</b>

## **GMP APPROACH**

- 1. Itemized unit labor cost for personnel on the CMAR's staff expected to be involved in the project; i.e., cost per hour by job title or labor classification. Itemize for each labor category the unit payroll cost and the direct labor overhead cost applicable to each labor hour charged.**

### **DESIGN PHASE / PRECONSTRUCTION SERVICES: PROPOSED HOURLY STAFF RATES:**

Project Executive – \$185.00/HR  
Project Manager – \$130.00/HR  
Assistant Project Manager – \$115.00/HR  
General Superintendent – \$125.00/HR  
Superintendent – \$115.00/HR  
Lead Estimator – \$134.00/HR  
Estimator – \$110.00/HR  
Project Engineer – \$110.00/HR  
Office/Field Engineer – \$100.00/HR  
SU&C Manager – \$145.00/HR  
Scheduler – \$110.00/HR  
Quality Manager – \$105.00/HR  
Safety Manager – \$105.00/HR

- 2. Provide the factor, percentage or lump sum, or other manner of pricing of the CMAR's general overhead required to be compensated during the construction phase.**

MWH proposes a fixed percentage of **3.5%** on top of Cost of Work, excluding bonds and insurance.

- 3. Provide a detailed description and manner of determination of the CMAR's fee and/or profit factor desired to be attained and priced in the GMP.**

MWH proposes a fixed percentage of **3.0%** on top of Cost of Work, excluding bonds and insurance.

- 4. Describe your approach to developing a cost to complete this project. How will this affect your firm's design input?**

MWH will work openly and in partnership with the Town and Engineer to perform cost estimation services and ultimately to produce a Guaranteed Maximum Proposal(s) for the construction of this project. We believe that all CMAR projects require a baseline construction cost estimate to facilitate thorough and objective decision-making during the course of design for the project to achieve the goal of producing an on-schedule and under budget project. Having a baseline estimate in place for the project will allow for itemized cost-based decision making

### **CONSTRUCTION PHASE (PRELIMINARY GMP): PROPOSED HOURLY STAFF RATES:**

Project Executive – \$220.00/HR  
Project Manager – \$151.00/HR  
Assistant Project Manager – \$135.00/HR  
General Superintendent – \$140.00/HR  
Superintendent – \$130.00/HR  
Lead Estimator – \$156.00/HR  
Estimator – \$120.00/HR  
Project Engineer – \$130.00/HR  
Office/Field Engineer – \$115.00/HR  
SU&C Manager – \$160.00/HR  
Scheduler – \$120.00/HR  
Quality Manager – \$115.00/HR  
Safety Manager – \$115.00/HR  
BIM / VDC Manager – \$120.00/

to be performed. There are several key decisions made early in the project which have compounding implications to final project design once decided upon and cemented into the project's design. As an example, our team will provide input early on with regards to proposed facilities layouts and sizing, routing of utilities, process and key equipment selection, and selection of building materials. As the project evolves from 60% to 90% design, we will support decision-making by providing input and cost estimation services for design alternatives and value engineering ideas.

Once design progresses to the 60% design, MWH will provide further cost estimation services as desired by the Town. The 60% design estimate produced by MWH will be substantiated by detailed quantity take-offs, market-based input for costs of materials and equipment, detailed risk assessment and contingency assessment by means of a risk register, and cost escalation analysis. At the time of the 60% estimate, MWH will prepare several reports to breakdown the estimated cost of construction including estimate reports by facility/building, discipline of work per CSI specification grouping, work phasing, and bid packaging. Following completion and submission of the 60% design OPCC estimate, MWH will prepare a cost summary presentation for the Town and Engineer. In tandem with the 60% estimate, our team will prepare a detailed construction schedule outlining the remaining timelines for design

development, bid packaging and bid processes, GMP development, and construction, including facility start up and commissioning. The project construction schedule will be used to develop and support the estimated durations needed for CMAR project management General Conditions staff.

As the project progresses from 60% design to 90% design, we will prepare a site logistics plan, confirm long lead items, and prepare safety, quality management plans. We recognize that this phase of the project is critical for the identification and avoidance of potential conflicts. MWH understands that preconstruction will be very intense for the first several months, which is why our team is available to begin immediately. We also see as critical during preconstruction the procuring of other early works packages and following the 60% estimate can progress directly into GMP development.

Our team will provide design review between 60%, 90% and final design stages with dedicated focus towards constructability reviews and including review of plans, standard details, and specifications. At the 90% design stage, MWH will produce a final estimate and report. Similar to the 60% stage, the 90% will be supported by detailed take-offs, subcontractor and supplier provided budgetary pricing, detailed risk register, escalation analysis, and General Conditions pricing. Should the Town desire to fast-track the project schedule, MWH can prepare and issue out competitive bid packages for subcontractor and supplier pricing to be incorporated into a 90% design GMP proposal. MWH will advertise and solicit bids for all bid packages identified for the project as competitively bid and/or best-value selection-based scopes of work. Upon receipt of bids, MWH will perform a comparison and analysis of the bids received and will make a recommendation of award for each bid package to the Town for approval. The final selected bid pricing will be incorporated alongside the self-performed scopes of work and General Conditions pricing prepared by MWH into a final GMP proposal for the balance of work. Any scopes of work that are deemed appropriate to defer for bidding due to extended time to complete (e.g., site paving and landscaping, painting and coatings, commissioning and startup) will be allocated into a project allowance and will be bid out at a later date closer to the time of need for construction. The GMP proposal prepared by MWH will include the Direct Cost of Work including subcontracted work, supply of equipment and materials, and self-performed construction by MWH. Additionally, the cost of

CMAR General Conditions will be included. MWH will prepare a final project risk register which will itemize and allocate out responsible entities (either CMAR or the Town) for ownership of project risks and will associate estimated costs and probabilities to each risk to build up and determine necessary amounts to be included in the GMP proposal for CMAR Contingency, Owner Allowances, and Owner's Contingency.

##### **5. Describe contingency, how it is managed, and use of contingency.**

Contingency is the funds to mitigate project risks. During the preconstruction phase and through construction, we will update the project Risk Register. This register captures all risks, mitigation strategies, their costs and also the costs of accepting the risk without mitigation. As a project team we will review the Risk Register and determine which risks are most valid. From this proofing exercise we will be able to determine a budget for contingency. Contingency typically amounts to 3% to 7% of the Cost of Work. We typically see contract terms which allow for contingency to be utilized without permission up to a pre-determined value. Once that threshold is reached then the Town would need to approve contingency utilization. Typical uses for contingency are scope gap, schedule acceleration, rework, trade flow.

##### **6. Describe your approach to developing value engineering ideas through construction delivery to enhance the work product while potentially saving cost.**

**We define Value as equaling Functionality divided by Cost.** This allows us to increase the value of a change by providing better functionality, reducing cost, or both. Making a structure smaller or removing scope does not increase value, as these changes reduce function. **Without this relationship, VE is often used as a scope reduction tool that alters design intent instead of identifying overall improvements that can provide cost savings or value.**

Therefore, our team explores all options within the guidelines and considers initial cost, life-cycle cost, operational flexibility, performance, reliability, constructibility, and future expansion considerations. MWH has a proven value engineering process that transparently tracks design alternatives and detailed cost estimates to allow the Town to make informed decisions.



## DEVELOPING ACCURATE ESTIMATES

MWH's ability to self-perform, our experience with Colorado subcontractors and suppliers, and our focus on W/WW projects, allows us to accurately prepare detailed estimates for the Town to make informed decisions. We develop full project cost estimates corresponding to each design milestone. However, our team does not wait until each design phase is completed to estimate portions of the project - we maintain constant communication with the design team to update costs in the baseline model to reflect market pricing. MWH uses a Cost Trend Log (CTL) to quantify the scope and cost changes occurring between design deliverables. This is an integral part of developing early cost certainty and provides the baseline for Value Engineering (VE) efforts. Our comparison of the initial estimates to the low bidders for subcontracted work is typically within 4.9%.

## VALUE ANALYSIS

MWH's goal as your CMAR is to deliver your project successfully while identifying opportunities to provide additional value through cost reduction or improvements to the facilities functionality and lifespan. A successful VE analysis identifies opportunities to provide the Town with best value improvements to the Johnstown WTP Expansion project – this is not simply a reduction in cost. Therefore, our team explores all options within the guidelines and considers initial cost, life-cycle cost, operational flexibility, performance, reliability, constructability, and future expansion considerations. MWH has a proven value engineering process that transparently tracks design alternatives and detailed cost estimates to allow the Town to make informed decisions.

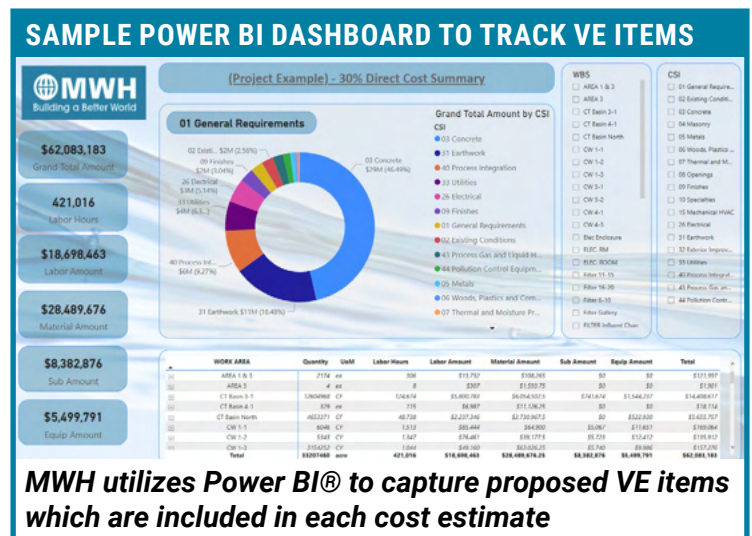
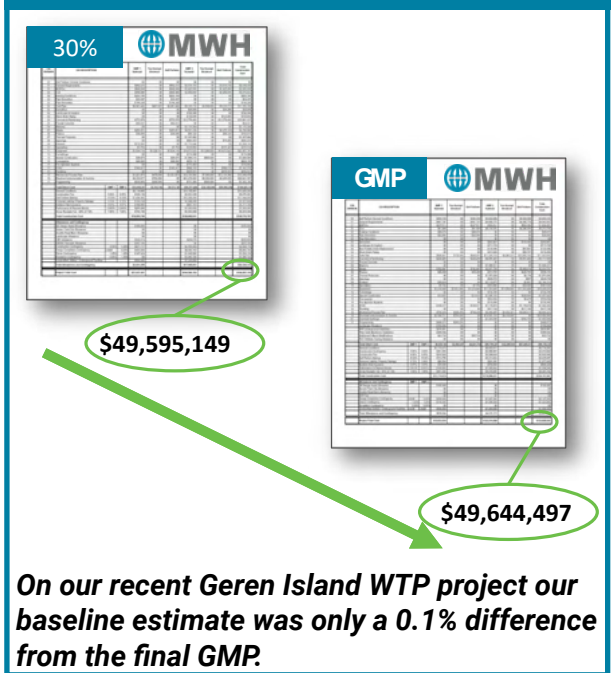
## EXPERIENCE TRACKING IDENTIFIED SAVINGS FROM VE/CONSTRUCTABILITY TO IMPLEMENTATION

MWH utilizes a variety of tools to track proposed VE and constructability ideas and alternatives through design and GMP development and then into full implementation. Our cost estimates are built to include all potential alternatives for consideration along with the impacts to schedule, cost, and risk elements of the project. MWH utilizes HCSS® for our cost estimates along with a variety of take-off tools to capture an accurate cost estimate.

Proposed VE items are fully priced and included in each cost estimate. We utilize Microsoft Power BI® to capture this data in dashboards for internal and client use and can track cost breakdowns in an interactive dashboard across work packages, structures, design progression, or by VE items. An example of this dashboard is shown to the right. As VE items are either accepted, rejected, or further considered we continue that progression into the next cost model as design progresses further.

Eventually all VE items are either accepted and implemented into the GMP, or they are rejected from consideration. After final GMP acceptance, costs are tracked by Work Breakdown Structure. So, if we align a particular VE item to a WBS category we can always reconcile that cost element. But any and all savings or value would already be implemented and credited to the project as that VE item is accepted and implemented into the project cost model, and eventually the GMP finalized and accepted. We can easily track implemented VE credits within this cost model and GMP process for the Town's evaluation.

## RECENT MILESTONE ESTIMATES



**7. Provide an itemization, if any, of CMAR's overhead, fee, and/or profit to be applied to both materials and subcontractor costs incorporated into the project.**

Lets start with what is the GMP comprised of and how overhead, fee and/or profit are applied. All of the subcontractor bids and MWH self perform work values will be compiled into what is typically called the Cost of Work or COW. The COW doesn't differentiate between labor, materials, and construction equipment. With a value for the Cost of Work established then the overhead and profit percentages are added. This value is then multiplied by the insurance rate as well as the rate for payment and performance bonds. This new value is then added to the Contingency value which is the Guaranteed Maximum Price. MWH is responsible for assuring that the project is built for that value or less. Any unspent GMP is returned to the Town.

**8. Provide an itemization of the CMAR's proposed equipment and temporary facilities to be used and/or installed at the project site together with applicable unit pricing proposed for compensation throughout the project. Include a description and example of the way a "small tool allowance" and expendable tools and parts will be compensated.**

- ▶ **Staff vehicles (owned ½-ton trucks) – \$1,400/month**
- ▶ **Cell phones (owned devices + data plan) – \$100/month**
- ▶ **Computers & Peripherals (owned devices + software) – \$75/month**
- ▶ **Office Trailer (Double Wide 24' x 60') – \$2,800/month (to be quoted)**
- ▶ **Connex Containers – \$200 each/month x 4 each**
- ▶ **Chemical Toilets – \$120 each/month x 4 each (to be quoted)**
- ▶ **Recycle & Trash Roll-off Dumpsters – \$400 each/month (to be quoted)**
- ▶ **Internet Service – \$200/month (to be quoted)**
- ▶ **Temporary Power Utilities – \$TBD (to be quoted)**
- ▶ **Office Supplies – \$300/month**
- ▶ **Printing & Reproduction – \$250/month**
- ▶ **Jobsite Printer/Copier/Scanner – \$500 each/**

month x2 each (to be quoted)

- ▶ **Postage – \$100/month**
- ▶ **Coffee, Water, Ice – \$300/month**
- ▶ **First Aid Kit Replenishment – \$500/month**
- ▶ **Fire Extinguisher Inspection / Refill – \$100/month**

**9. Describe the approach, general facilities, and basis of compensation for construction and maintenance of a temporary power system during construction.**

During the preconstruction phase we will layout a temporary power system for construction trailers, construction power. With the scope determined we have two options. The first is to negotiate this scope with an electrical contractor, or bid this work out. It has been our experience that it is easiest to include this scope with the electrical bid package, so that the installation, maintenance, and demobilization is taken care of by the electrical contractor in site

**10. Describe any additional cost elements or factors applied to project labor, materials, equipment or subcontractor's costs to determine the GMP.**

MWH does not have any additional cost to be applied to project labor, materials, equipment, or subcontractor's cost to determine the GMP.

**11. Itemize and describe the rates and/or other cost factors in providing comprehensive general liability, auto liability, and builders risk insurance during the construction period.**

- ▶ **General Commercial Liability – 0.22%**
- ▶ **Automobile – Included**
- ▶ **Professional Liability – 0.22%**
- ▶ **Pollution Insurance – 0.22%**
- ▶ **Builder's Risk – 0.60%**
- ▶ **Total for Insurances – 1.26%**

**12. Describe and itemize the rate applicable to this project which will be utilized to determine the payment and performance bond premiums for the project.**

List out standard P&P rate based on standard warranty period – generally **0.615%** of project cost before bonds for 24 month or less contract duration.

For the Johnstown WTP project our surety provided a rate of **0.77%**.

***13. Itemize those factors involved in change orders, contract modifications order and/or adjustments to the GMP including supervision allowance (i.e., percentage of direct labor hours, cost or other approach), labor and material markups and overhead and profit percentages if they are different than the factors used in determining the initial GMP.***

We will follow the same format as the initial GMP development. Potential credit for general conditions or insurance premium would have to be supported by a significant reduction in project scope and duration. Fee and bond are only billed as cost, therefore reduction in scope pertaining to fee and bonds would be a credit at project closeout. MWH will follow mutually agreeable percentage markups for additional material, labor and equipment.