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TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: July 15, 2024

SUBJECT: Contract Amendment to Existing MWH Constructors, Inc.
Contract Awarding Work Authorization 3 (GMP) for Water
Treatment Plant Construction.

ACTION PROPOSED: Consider Approving the Contract Amendment With MWH
Constructors, Inc.

ATTACHMENTS:

1. Contract Amendment
2. Work Authorization 3 GMP Cost
3. Work Authorization 3 GMP Summary
4. Work Authorization 3 GMP Construction Schedule
5. Work Authorization 3 Contract Amendment No. 2

PRESENTED BY: Ellen Hilbig, Utilities Director

AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is a request to approve a Contract Amendment for Work Authorization 3 to establish and award the Guaranteed Maximum Price (GMP) of \$85,111,388 to MWH Constructors, Inc for the full construction of the Water Treatment Plant.

The Guaranteed Maximum Price set by Work Authorization 3 supersedes and includes the early work authorized in Work Authorizations 1 & 2 at the October 16, 2023, council meeting that allowed for MWH to start construction and procurement in advance of the design completion and take advantage of schedule.

The Town is entering into a Cost-Plus price arrangement per the Construction Contract, where there is no set or fixed fee. The contractor is paid for the Cost of Work it incurs to complete the project, plus a Fee, not-to-exceed the GMP.

The GMP identified in Work Authorization 3 is based on both the 100% design documents (drawings and specifications) issued May 17 and the design documents issued for Work

The Community that Cares

Authorizations 1 and 2. The GMP summary included identifies allowances in the amount of \$1.732 million to cover scope gaps in the design including startup and commissioning of the new plant, completeness of the process and controls narrative to program the new plant, and potential for schedule acceleration. The GMP also includes a contingency amount of \$4.13 million or 5.55% of the established construction price to address any unforeseen issues that arise during construction.

The Town budgeted \$30 million in 2024 for the Water Treatment Plant project and will be required to address project funding to cover the total project costs in budget years 2025 & 2026. Below is a summary of total project expenses to date. The Town anticipates additional funds will need to be allocated for the following items: Contract with Xcel for onsite electrical & transformer, Contract for materials testing services, and a Contract for additional SCADA services.

Project Expenses to Date:

B&M Engineering Design (9-8-21)	\$ 3,495,382.00
B&M Pilot Study (9-8-21)	\$ 831,280.00
Owners Representative Contract (7-6-22)	\$ 460,700.00
MWH CMaR Services (2-6-23)	\$ 229,080.00
Membrane Equipment Selection (2-13-23)	\$ 130,000.00
XCEL Offsite Improvements (3-18-24)	\$ 571,434.31
MWH Construction WA3 GMP (7-15-24)	\$ 85,111,388.00
<u>B&M Construction Administration Services</u>	<u>\$ 3,718,616.00</u>
Total	\$ 94,547,881.31

STRATEGIC PLAN ALIGNMENT:

- Healthy & Resilient Economy
 - *Drive projects/initiatives that promote Johnstown as a premier destination for business*
- Quality Infrastructure & Facilities
 - *Ensure future viability of infrastructure and facilities*
 - *Repair and maintain existing infrastructure, facilities and equipment*

LEGAL ADVICE:

Contract Amendment reviewed and approved by Town Attorney

FINANCIAL ADVICE:

The Town budgeted \$30 million in 2024 for the Water Treatment Plant project and will be required to address project funding to cover total project costs in budget year 2025 & 2026.

RECOMMENDED ACTION: Staff supports approval of the Contract Amendment for Work Authorization 3 with MWH Constructors, Inc in the amount of \$85,111,388 as presented.

SUGGESTED MOTIONS:

For Approval: I Move to Approve the Contract Amendment for Work Authorization 3 with MWH Constructors, Inc in the Amount of \$85,111,388 as Presented.

For Denial: I move to deny the Contract Amendment for Work Authorization 3 with MWH Constructors, Inc

Reviewed and Approved for Presentation,



Town Manager