



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** March 20, 2023

**SUBJECT:** Central Wastewater Treatment Plant

**ACTION PROPOSED:** Award Contractor for the Construction of the Central Wastewater Treatment Plant Expansion

**ATTACHMENTS:**

1. GMP
2. Construction Contract

**PRESENTED BY:** Ellen Hilbig, Utilities Director

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### AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is a request to award the Construction Contract on the Central Wastewater Treatment Plant (CWWTP) project to Moltz Construction, Inc. for a Guaranteed Maximum Price (GMP) of \$52,804,817.00.

The original GMP for construction costs came in at little under \$60M for the final design of the Central Wastewater Treatment Plant. Moltz worked closely with the Design Engineer and Town Staff to perform value engineering through construction experience and feasibility assessments of the proposed plans and specifications. By working together, Moltz was able to bring the GMP for construction down approximately \$7M. The GMP for the construction of the Central Wastewater Treatment Plant project was finalized at \$52,804,817.00 and includes a 7.5% construction management fee which Moltz committed to during the CMaR selection process as well as 7% contingency for unforeseen challenges of \$3,454,521.00. Town Staff, the Design Engineer and the Moltz Construction team will continue to evaluate potential cost savings opportunities during construction to further reduce the final project cost.

The construction schedule Moltz identified for project completion with the GMP is end of year 2025. The construction of the Central Wastewater Treatment Plant project is part of the Town's Cease and Desist Order with the CDPHE. Town Staff will have to work with CDPHE to adjust the critical milestones identified in the compliance order to match the construction schedule identified by Moltz Construction.

#### Total Project Expenses to Date:

Aqua Engineering Design (5-3-21)	\$1,063,057.00
Town Equipment Pre-procurement (5-16-22)	\$360,763.00
Moltz CMaR Services (10-14-22)	\$76,704.00
Moltz Construction GMP	\$52,804,817.00
Aqua (SKM) SCADA Integration	\$357,241.00
<u>Aqua Construction Engineering Services</u>	<u>\$1,446,239.00</u>
<b>Total</b>	<b>\$56,108,821.00</b>

The total project cost for the Central Wastewater Treatment Plant project based on the current and future expenditures to date is \$56,108,821.00. The Town budgeted \$45 million in 2023 for the project and will be required to address project funding through fund roll overs and additional allocations to cover the total cost in the 2024 and 2025 budgets. An additional allocation is in the FY 2023 budget in the amount of \$50M

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from the general fund in the form of either a loan or grant. This allocation will likely need to be increased to cover the construction costs, ensure financial operations and sustainability of the fund, and to pay existing debt services.

**LEGAL ADVICE:**

The Contract has been reviewed by the Town's Attorney

**FINANCIAL ADVICE:**

The Town budgeted \$45 million in 2023 for the project and will be required to address project funding through fund roll overs and additional allocations to cover the total cost in the 2024 and 2025 budgets.

**RECOMMENDED ACTION:**

Town Staff recommends the award of the Construction Contract for the Central Wastewater Treatment Plant to Moltz Construction, Inc. for a Guaranteed Maximum Price (GMP) of \$52,804,817.00.

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**SUGGESTED MOTIONS:**

**For Approval**

I move to award the Construction Contract for the Central Wastewater Treatment Plant to Moltz Construction, Inc. for a Guaranteed Maximum Price (GMP) of \$52,804,817.00.

**For Denial**

I move to deny the award of Construction Contract for the Central Wastewater Treatment Plant project and direct Staff to formally bid out the project.

*Reviewed and Approved for Presentation,*



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Town Manager