



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATION

AGENDA DATE:	March 1, 2021
SUBJECT:	Award Contractor for Sewer Interceptor Project. Construction Manager at Risk (CMaR) – Central Phase One Sanitary Sewer Project
ACTION PROPOSED:	Consider Approve Contractor Selection
ATTACHMENTS:	<ol style="list-style-type: none">1. Connell and Canterbury Cost Comparison Sheet.2. Lift Station Cut Sheet3. Sewer Forcemain/Gravity Line Route
PRESENTED BY:	Marco Carani, Director of Public Works

AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is a request to approve the selection of Connell Resources, Inc. to construct the Central Phase 1 Interceptor Project and Lift Station (the Central Phase One Project); at a total approved budget amount not to exceed \$10,000,000.00 for the Project.

In February 2020, Staff presented to Council a request to award a Construction Manager at Risk (CMaR) contract to Connell Resources to assist the Town's Contract Engineer IMEG, with the design of the Central Phase 1 Sanitary Sewer project. The CMaR delivery method provides for a selected Construction Manager (CM) to be included in the design process to value engineer the project based on their construction experience and includes a commitment by the CM to deliver the project within a Guaranteed Maximum Price (GMP). As part of this process, once design is at 90% complete, the Town has a right to hire an Independent Cost Estimator (ICE) for purposes of best practices and to ensure a fair price from the CM. For the ICE component, the Town hired Canterbury Construction Management Services.

Connell produced a quantity take off from the 90% set of plans issued and the quantities were used by both Connell (CM) and the Independent Cost Estimator (ICE) as the Bid Schedule/Schedule of Values for the project. This ensures that both Connell and the ICE will be comparing the same quantities and units of measure during the cost evaluation process. Connell and the ICE submitted independent cost estimates to the Town of Johnstown/IMEG for evaluation and comparison. The Town/IMEG produced an Estimate Comparison Sheet which is attached.

Following submittal of the independent cost estimates from both the CM and ICE, an estimate reconciliation meeting was conducted to discuss the results of the estimates. We evaluated cost discrepancy items within the Schedule of Values and worked to develop an appropriate cost

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

consensus to develop a final Guaranteed Maximum Price. If the GMP difference between Connell and the ICE could not be resolved to within 5% or less, Connell had the right to disagree with the GMP and/or the Town could have gone out to competitive bid to get the best price available. The GMP between Connell and the ICE was within 0.47% (with Connell's figure the lesser value), and Connell has agreed to the Guaranteed Maximum Price.

The Guaranteed Maximum price is \$10,046,181.24. Originally \$10,000,000 was budgeted for this project in FY2020 and after early estimates were provided, the amount was reduced in FY2021 to \$8,232,000. The reason for the increase and closer to the original estimate, were changes to the concrete wall thickness for the new lift station, an increase in some of the material costs for the project, and allowing for an adjustment to the project contingency from 3% to 10%. Staff is requesting Council authorize an additional \$1,768,000 for this project and a total GMP of \$10,000,000. We are working with both Connell and IMEG to provide additional value engineering on the project that we anticipate will result in a final project cost below the initial GMP. While funding is currently available within the budget based on the fact that we are only in month 2 of the fiscal year, there may be the need for a budget amendment based on how things progress throughout the rest of the calendar year/fiscal year. The Town, and design team will be continuing to review for other potential cost savings options during construction that will add additional savings toward reducing the final project costs.

LEGAL ADVICE:

The Town Attorney will review the final contract agreement for this project.

FINANCIAL ADVICE:

A total of \$8,232,000 was budgeted for this fiscal year for the Central Phase 1 portion of the comprehensive sewer capacity interceptor project. With the requested \$1,768,000, a total of \$10,000,000 would be allocated for the project award. If necessary, Staff will provide a budget amendment toward the end of the fiscal year for this project.

RECOMMENDED ACTION: Approve selection of Connell Resources, Inc. as the Town's CMaR Contractor to proceed with Construction of the Central Phase 1 Project with a GMP not to exceed \$10,000,000, and authorize the Town Manager to sign the CMaR Construction Contract with Connell Resources, Inc.

SUGGESTED MOTIONS:

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

For Approval: I move to award Connell Resources, Inc. as the CMaR Contractor for the Central Phase One Sanitary Sewer Project and authorize the Town Manager to sign the CMaR Construction Contract with Connell Resources, Inc. with a GMP not to exceed \$10,000,000.

For Denial: I move that we deny selection of Connell Resources, Inc. as the CMaR Contractor for the Central Phase One Sanitary Sewer Project, and proceed with competitive bids.

Reviewed and Approved for Presentation:



Town Manager

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141