



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** May 16, 2022

**SUBJECT:** North Sewer Expansion – Phase 1

**ACTION PROPOSED:** Award Construction Contract for the North Sewer Expansion – Phase 1

**ATTACHMENTS:**

1. GMP Summary
2. 3<sup>rd</sup> party Cost Comparison
3. Value Engineering Risk Register
4. 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 for the North Sewer Expansion – Phase 1 project to Connell Resources, Inc. for a Guaranteed Maximum Price (GMP) of \$29,725,650.25.

The North Sewer Expansion – Phase 1 project involves the construction of a sewer interceptor from the Central Wastewater Treatment Plant that heads north and west to provide capacity to the developable area along WCR50. The project involves the construction of 3 miles of 27” gravity fed pipe, .5 miles of 24” gravity fed pipe, .5 miles of 12” force main, a new lift station on the south side of WCR50 and the abandonment of the Corbett Glen lift station. The project is essential to provide the necessary infrastructure to support growth on the north side of town, including the Held Annexation, Revere and Great Plains developments. Construction is scheduled to be completed by the end of the year 2023.

Staff awarded a Construction Manager at Risk (CMaR) contract for the Central Sewer Expansion project to Connell Resources at the Feb 3, 2020 Council Meeting. As part of this contract Connell Resources creates a Guaranteed Maximum Price (GMP) which includes open book financials on costs and procurement upon the issuance of the 90% design set and specifications for the project by the Towns design engineer, IMEG. Town staff are also required to hire an independent cost estimator, Canterbury Construction Management Services (CCMS) to review the GMP to be in compliance with the CMaR process. A cost reconciliation meeting was held with Connell Resources, CCMS, IMEG, and Town Staff in order to develop a cost consensus and agree on the GMP.

The GMP for the construction of the North Sewer Expansion – Phase 1 project is \$29,725,650.25 and includes a 6% contingency for unforeseen challenges. Town staff and the Connell Resources team will continue to evaluate potential cost savings opportunities through the value engineering and risk register attached during construction to further reduce the final project cost. The goal of the award of this project at this stage is to start the procurement of all project materials to lock prices in and minimize delays due to lead times on materials.

*The Community That Cares*

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Total Project Expenses to Date:

IMEG Engineering Design North Ex	\$1,735,000.00
IMEG Construction Admin North Ex	20,000.00
CMMS Construction Admin North Ex	\$9,240
Connell Resources CMAr Services North Ex	\$29,725,650.25
<u>Connell Resources Construction GMP</u>	<u>\$62,450.00</u>
<b>Total</b>	<b>\$31,552,340.25</b>

The total project cost for the North Sewer Expansion – Phase 1 to date is \$31,552,340.25. The Town budgeted \$17 million for construction and \$900,000 for design to cover all project expenses in 2022. Additional funding will be budgeted for in 2023 to cover the difference between the GMP and the budgeted \$17 million. This pricing also does not take into account costs associated with the acquisition of easements necessary for the project construction.

**LEGAL ADVICE**

The Contract has been reviewed by the Town’s Attorney.

**FINANCIAL ADVICE:**

The Town budgeted \$17 million for construction and \$900,000 for design in 2022 for the North Sewer Expansion – Phase 1 project to cover all 2022 project expenses. Additional funding will be budgeted for in 2023 to cover the difference between the GMP and the budgeted \$17 million.

**RECOMMENDED ACTION:** Town Staff recommends the award of the construction contract for the North Sewer Expansion – Phase 1 project to Connell Resources, Inc. for a Guaranteed Maximum Price (GMP) of \$29,725,650.25.

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**SUGGESTED MOTIONS:**

**For Approval**

I move to award the construction contract for the North Sewer Expansion – Phase 1 project to Connell Resources, Inc. for a Guaranteed Maximum Price (GMP) of \$29,725,650.25.

**For Denial**

I move to deny the selection of Connell Resources, Inc., as the Construction Contractor for the North Sewer Expansion – Phase 1 project and direct Staff to formally bid out the project.

*Reviewed and Approved for Presentation,*



Town Manager