



# Town of Johnstown

## TOWN COUNCIL AGENDA COMMUNICATIONS

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**AGENDA DATE:** December 13, 2021  
**SUBJECT:** Central Sewer Expansion – Phase 2  
**ACTION PROPOSED:** Award Construction Contract for Central Sewer Expansion Phase 2 to Connell Resources, Inc.  
**ATTACHMENTS:** 1. GMP Summary  
2. 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 of the Central Sewer Expansion – Phase 2 project to Connell Resources, Inc. for a Guaranteed Maximum Price (GMP) of \$10,577,997.01.

Central Sewer Expansion – Phase 2 involves the construction of a sewer interceptor from the new Johnstown Farms Lift Station at WCR 46.5 south to WCR 46 where it heads west to the west side of Colorado Blvd. The project involves the construction of 1 mile of 21” pipe, 1.5 miles of 18” pipe, 0.5 miles of 15” pipe, and a crossing of Great Western Railroad to abandon the Clearview lift station. The project is essential to provide the necessary infrastructure to support growth on the south side of Town, including the Riverbend Estates, Granary, Roosevelt High School, Whitehall and Ledge Rock developments. Construction is scheduled to be complete by the end of the year 2022.

Staff awarded a Construction Manager at Risk (CMaR) contract for the Central Sewer Expansion project to Connell Resources at the February 3, 2020 Council Meeting for \$92,135.30 which covered Phase 1 and Phase 2 expenses. Upon the issuance of the pricing plan set and specifications for the project by IMEG, Connell Resources created a GMP which included open book financials on costs and procurement. Town Staff hired an independent cost estimator, Canterbury Construction Management Services (CCMS) to review the GMP as part of 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 Guaranteed Maximum Price.

The Guaranteed Maximum Price for the construction of the Central Sewer Expansion – Phase 2 project is \$10,577,997.01 and includes material testing services as well 10% contingency for unforeseen challenges. The Town and Connell Resources worked together to place the pipe order for the project in September to minimize material delays on the project. Town Staff and the Connell Resources team will continue to evaluate potential cost saving opportunities during construction to further reduce the final project cost. A complete breakdown of the Central Sewer Expansion Phase 2 expenses are shown in the table below.

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<b><u>Total Project Expenses</u></b>	
IMEG Engineering Design (4-6-20)	\$252,000.00
Connell Resources P2 CMAr Services	\$25,000.00
Connell Resources Construction	\$10,577,997.01
IMEG Construction Admin	\$10,000.00
<b>Total</b>	<b>\$10,864,997.01</b>

The total project cost for the Central Sewer Expansion – Phase 2 to date is \$10,864,997.01. The Town budgeted \$4.6 million in 2021 for project design and construction services, and budgeted \$8 million including rollover from 2021 to cover project expenses in 2022. Funding is currently available when evaluating all phases of the Central Sewer Expansion project however there may be a need for a budget amendment based on each project’s progression in the 2022 fiscal year based on what is expended for the remaining balance of 2021.

The Contract has been reviewed by the Town’s Attorney, signed by the Contractor and is ready for immediate execution.

**FINANCIAL ADVICE:**

The Town budgeted \$4.6 million in 2021 for project design and construction services, and budgeted \$8 million including rollover from 2021 to cover project expenses in 2022. Funding is currently available when evaluating all phases of the Central Sewer Expansion Phase 2 project however there may be a need for a budget amendment based on each project’s progression in the 2022 fiscal year.

**RECOMMENDED ACTION:**

Town Staff recommends the award of the construction for the Central Sewer Expansion – Phase 2 to Connell Resources, Inc. for a Guaranteed Maximum Price (GMP) of \$10,577,997.01.

**SUGGESTED MOTIONS:**


**For Approval**

I move to award the construction for the Central Sewer Expansion – Phase 2 to Connell Resources, Inc. for a Guaranteed Maximum Price (GMP) of \$10,577,997.01.

**For Denial**

I move to deny the selection of Connell Resources, Inc., as the Construction Contractor for the Central Sewer Expansion – Phase 2 project and direct Staff to formally bid out the project.

*Reviewed and Approved for Presentation,*



Town Manager

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