

AGENDA

Denver Board of Water Commissioners

Denver Water Administration Building
1600 West 12th Avenue
Denver, CO
Board Room, Third Floor

Wednesday, November 18, 2015 9:00 a.m.

I. BOARD ADMINISTRATIVE BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

C. Ceremonies, Awards and Introductions

II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. First Amendment to Agreement for Legal Services with Lewis Roca Rothgerber LLC
2. Fleet SUV Lease Contract
3. First Amendment to Aggregate Hauling, Storage and Disposal Contract
4. First Amendment for Direct Digital Control System for HVAC at Recycling Plant
5. First Authorization for Additional Funds for McCandless Truck Center, LLC Parts and Service

B. Individual Approval Items

Denver Water aspires to be the best water utility in the nation.

Integrity :: Vision :: Passion :: Excellence :: Respect



III. POLICY MATTERS

IV. MONTHLY AND QUARTERLY REPORTS

- A. CEO Report**
- B. CFO Report**
- C. Operations Report**

V. INFORMATION ITEMS

- A. Scheduling of Future Board Meetings and Tentative Discussion Topics**
- B. Event Calendar**
- C. Denver Water/Denver Parks and Recreation IGA**

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by C.R.S. Sec. 24-6-402 or D.R.M.C Sec. 2-34.

- A. Confidential Report § 24-6-402(4)**

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2015

Board Item: II-A-1

**First Amendment to Agreement for Legal Services
with Lewis Roca Rothgerber LLC
Contract # 14183A**

Action by Consent

Action

Information

Summary:

In 2012, Denver Water entered into an agreement for legal services with Rothgerber, Johnson & Lyons (now Lewis Roca Rothgerber) to represent Denver Water as a named plaintiff in a national antitrust class-action involving manufacturers of ductile iron pipe fittings. The lawsuits arising from that class-action have been proceeding over the last three years without expense to Denver Water. We recently learned of a guilty plea in a price-fixing conspiracy case brought by the Justice Department involving General Chemical and liquid aluminum sulfate. General Chemical has been the supplier of liquid aluminum sulfate to Denver Water for many years, so Denver Water would be an appropriate plaintiff in a new class-action lawsuit. General Counsel has determined that the most effective way to pursue potential claims against General Chemical is to add this litigation to the scope of work in Contract # 14183A. The representation would be provided under the same terms, and no other change to the contract would be required.

Budget Information:

Because the representation is being provided on a contingency fee basis, Denver Water will not expend any funds in the litigation. The contract amendment will have no impact on the budget.

Recommendation:

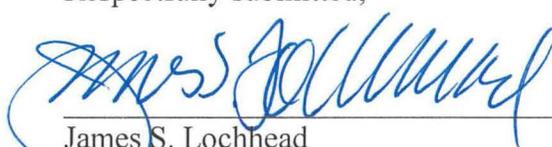
It is recommended that the Board approve the First Amendment to Contract #14183A with Lewis Roca Rothgerber for legal services to add new litigation to the scope of services.

Approvals:

Respectfully submitted,



Patricia Wells
General Counsel



James S. Lochhead
CEO/Manager

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2015

Board Item: II-A-2

Fleet SUV Lease Contract Contract # 16105A

Action by Consent

Action

Information

Summary:

Denver Water proposes to lease rather than purchase 72 general purpose vehicles with vendor-provided maintenance services. A cost benefit analysis was performed on the option of leasing a standard Ford Explorer model and found that leasing will provide positive cash flows over the term of the lease and optional extensions. Some of the hard savings considered in the analysis include reduction in labor hours spent on vehicle maintenance (estimated 0.5 FTE equivalent), reduction in capital expenditures on vehicle purchases, and lower operating and maintenance costs on new vehicles. Other intangible benefits identified during the analysis include access to consulting services to right-size the fleet and optimize vehicle utilization, total expense predictability, increased employee/public safety due to the use of newer cars, lower greenhouse gas emissions and value-added vendor services such as accident management, roadside assistance, maintenance scheduling, etc. Not included in the calculation of net benefits were proceeds from the sale of the currently owned general purpose vehicles, which are expected to amount to \$450,000-\$500,000.

Budget Information:

The total contract cost, including lease payments and outsourced maintenance on leased vehicles, will be included in future operating budgets. This expense was not budgeted in 2015 because no charges will be incurred until 2016. These charges are included in the 2016 budget for MPC 4HH0001, and will be added to the 2017 and 2018 operating budgets.

2016 Budget	\$ 786,000.00
Amount Requested This Item	\$ 750,000.00
YTD Expenditures	\$ 0.00
Dollars Budgeted for Future Years	\$ 0.00
Revised Estimate	\$
Budget Adjustment	\$

Selection of Business Partner:

Denver Water issued a Request for Proposals (RFP) for the lease of 72 compact and midsize SUVs. This RFP was posted on the Denver Water website, the Rocky Mountain E-Purchasing System and notified the Small Business Enterprise (SBE) / Minority Women Business Enterprise (MWBE) trade organizations. Of the five vendors who responded, there were no MWBEs and only one SBE. The vendor selection criteria included price, maintenance and management services included, terms and conditions of the agreement, and understanding of work.

Recommendation:

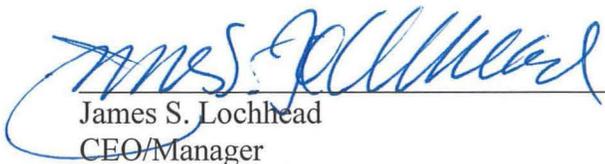
It is recommended that the Board approve Contract 16105A with Enterprise FM Trust for the lease of 72 standard fleet SUVs for the contract period November 18, 2015 through February 28, 2018 for a total contract amount not to exceed \$750,000.00.

Approvals:



Tom Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2015

Board Item: II-A-3

**First Amendment to Aggregate Hauling, Storage and Disposal Contract
Contract # 16120A**

Action by Consent

Action

Information

Summary:

Currently Denver Water manages its inert waste, aggregate material and hauling needs through multiple contracts and the use of Denver Water’s own assets. With the impending redevelopment of Denver Water’s Operations Complex, Denver Water will need to move its inert waste and aggregate storage bins offsite during construction, while still being able to access the material on a 24-hr/7-day basis in the event of a main break.

Denver Water held a pre-bid conference with hauling, aggregate and inert waste suppliers and reached out to the suppliers with a request for qualification; to come up with an innovative solution to our current situation. Denver Water issued a Request for Proposal with the three vendors that were able to meet our requirements, asking they submit pricing and a project plan for this service. Denver Water then held a rapid experiment event, to insure the vendors would be able to perform to our expectations.

Budget Information:

Sufficient funds have been included in the 2015 and 2016 warehouse budget under MPC 5QA0002, and will be added to the 2017 and 2018 budgets.

2015 Warehouse Budget	\$ 10,100,000.00
Amount Requested This Item	\$ 8,901,000.00
YTD Expenditures	\$ 5,216,609.14
Dollars Budgeted for Future Years	\$ 27,700,000.00
Revised Estimate	\$
Budget Adjustment	\$

Selection of Business Partner:

Denver Water issued a Request for Qualifications (RFQ) for the storage, hauling and disposal of aggregate material. The RFQ was posted on the Denver Water website, the Rocky Mountain E-Purchasing System and notified the Small Business Enterprise (SBE) / Minority Women Business Enterprise (MWBE) trade organizations. Denver Water also held a prequalification meeting with the local supply base to discuss the services required. Out of the RFQ three vendors were identified as being able to perform the service and were issued a Request for Proposal. Two vendors responded; both were SBE, one was also an MWBE. The vendor selection criteria included price, compliance to laws and regulations, understanding of work, service level and vendor’s performance during the rapid experiment event.

Recommendation:

It is recommended that the Board approve the First Amendment to Agreement 16120A with Integrating Technology & Standards Inc, DBA Iron Woman Construction & Environmental Services for the storage,

hauling and disposal of aggregate material for an extension of the contract period through 9/30/2018 and for an addition of \$8,901,000 for a total amended contract amount not to exceed \$9,000,000.00.

Approvals:

Respectfully submitted,



Tom Roode
Director of Operations and Maintenance



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2015

Board Item: II-A-4

First Amendment for Direct Digital Control System for HVAC at Recycling Plant Contract # 16092A

Action by Consent

Action

Information

Summary:

Denver Water has hired a contractor to supply, install, and program a direct digital control (DDC) system for the Recycling Plant's heating, ventilating, and air-conditioning (HVAC) and to upgrade/retrofit the facility's indoor lighting to LED. The DDC installation will allow the Recycling Plant to optimize its energy use through full control of the facility's HVAC; this system allows for automatic temperature setbacks to save utility costs and reduce the facility's carbon footprint.

The contractor has begun work to install the DDC system, and in the course of the work has discovered several system components (valve and damper actuators) that are inoperable or obsolete and need replacing. The additional funds authorized under this amendment will cover the purchase and installation of the new valve and damper actuators.

Budget Information:

Sufficient funds have been included in the 2015 General Plant budget under MPC 4H. The contract period is August 2015 through January 2016. Sufficient funds are also included in the 2016 budget.

2015 Budget	\$	6,056,230.96
Amount Requested This Item	\$	28,800.00
YTD Expenditures	\$	4,905,879.93
Dollars Budgeted for Future Years	\$	9,692,180.60
Revised Estimate	\$	128,300.00
Budget Adjustment	\$	0.00

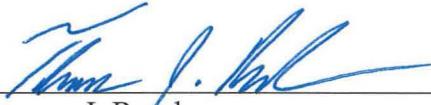
Selection of Business Partner:

Contract No. 16092A for installation of a DDC system for the Recycling Plant's HVAC was competitively bid in August 2015, through direct e-mail solicitation, Denver Water's public website, and Rocky Mountain E-Purchasing System (BidNet). Denver Water received two bids; Unify Energy Solutions was the low qualified bidder. This amendment is to add funds to cover the purchase and installation of valve and damper actuators, and to extend the contract for one additional month.

Recommendation:

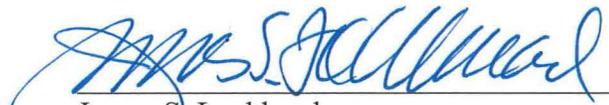
It is recommended that the Board approve the First Amendment to Contract No. 16092A with Unify Energy Solutions, for the purchase and installation of valve and damper actuators, for an addition of \$28,800.00 for a total amended contract amount not to exceed \$128,300.00 for a revised contract period of August 26, 2015 through January 31, 2016.

Approvals:



Thomas J. Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: November 18, 2015

Board Item: II-A-5

First Authorization for Additional Funds for McCandless Truck Center, LLC Parts and Service Contract # 15651A

Action by Consent

Action

Information

Summary:

McCandless Truck Center, LLC provides Original Equipment Manufacturer (OEM) truck parts and services to Denver Water's fleet of 52 trucks. Subsequent to entering into a contract with this vendor, Fleet Staff standardized the maintenance cycle to six months to proactively maintain this equipment in order to reduce the volume and severity of repairs. In the short term, this standardization has increased the parts and service costs beyond the original contract estimate. The spending rate on this contract should decrease as the benefits of proactive maintenance materialize. The size of this contract will also decrease as Fleet staff utilize more non-OEM parts where appropriate on in-house repairs, and as repairs overall decrease due to the reduction in lifecycle of fleet equipment.

Budget Information:

A budget adjustment of \$100,000.00 has been identified for the 2015 budget. Sufficient funds for these services are included in the 2016 budget under MPC 4HH0001; additional funds will be added to the 2017 budget.

2015 Budget	\$ 827,988.00
Amount Requested This Item	\$ 90,000.00
YTD Expenditures	\$ 933,970.77
Dollars Budgeted for 2016	\$1,354,960.00
Revised Estimate	\$
Budget Adjustment	\$ 100,000.00

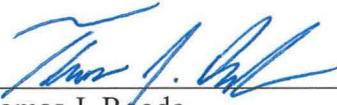
Selection of Business Partner:

In December of 2014, Denver Water entered into a three-year agreement with McCandless Truck Center, LLC., the designated international dealer for the Denver metro area. This amendment would increase the total contract amount of that agreement.

Recommendation:

It is recommended that the Board approve the First Authorization of Additional Funds for Agreement 15651A with McCandless for truck parts and services for an additional \$90,000.00 for a total amended contract amount not to exceed \$120,000.00.

Approvals:



Thomas J. Roode
Director of Operations and Maintenance

Respectfully submitted,



James S. Lochhead
CEO/Manager



Terri Bryant, Controller