

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: October 14, 2009

Information Item: VI-B-3

**FOOTHILLS TREATMENT PLANT  
CHLORINE CONTACT BASIN AND CHEMICAL FEED IMPROVEMENTS PROJECT  
CONTRACT 10734A**

Action by Consent

Action

Information

On December 13, 2006, the Board approved Contract 10734A with Garney Construction Company Inc. for CM/GC services for the Construction of the Foothills Water Treatment Plant Chlorine Contact Basin (CCB) and Chemical Feed Improvements. The Contract included Contract Forms and Conditions and established a project budget of \$22,000,000 for the CCB and \$3,000,000 for other miscellaneous budgeted projects at Foothills for a total of \$25,000,000. The final completion date for the project was set as July 31, 2008.

The project was initially identified to include only five bid packages but subsequent scoping and construction scheduling required seven bid packages and a total Guaranteed Maximum Price (GMP) increase to \$26,095,206 with Board approval. The Chlorine Contact Basin was substantially complete on April 25, 2008 and was put into operation. Additional work was completed to achieve final completion on December 31, 2008 of all seven bid packages.

The purpose of the project was to comply with new water quality regulations that would have been difficult to achieve with existing treatment disinfection process equipment and facilities. The new CCB and Chemical Feed Improvements have allowed the Foothills Treatment Plant to fully comply with these water quality parameters.

Staff has been working diligently over the past year to close out each bid package and to release retainage to the Contractor. This contract also provided for shared savings (of project costs) to be allocated between the Contractor and Denver Water. In early November, final payment to the Contractor is being made and all retainages released in accordance with contract procedures. Due to the accounting complexities of this contracting method and to ensure the appropriateness of payments to the Contractor, an independent audit of the project was performed by BKD of Denver, CO. Shown below are final contract amounts for Contract 10734A.

Total approved contract amount including change orders:	\$26,095,206
Total actual cost of the work:	<u>\$23,645,782</u>
Total Project Savings:	\$ 2,449,424
Project Savings Paid to Garney Construction	\$ 766,531
Project Savings Retained by Denver Water	\$ 1,682,893
Final GMP including Contractor shared savings	\$24,412,313

This large capital project was successfully completed and delivered to Denver Water under budget and ahead of schedule. A presentation will be made to the Board providing additional project detail and information.

Approvals:

  
Robert J. Mahoney  
Director of Engineering

  
Manager Approval