

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: February 13, 2013

Board Item: V-A-13

Construction Contract with Western Summit Constructors, Inc. For the Ashland Reservoir Tank Replacements Work Package 1 Contract 14063B

Action by Consent Action Information

On September 14, 2011, a contract was entered into with Western Summit Constructors, Inc. (WSCI) for Design Phase Services (Constructability Reviews and Estimating) related to the Ashland Reservoir Tank Replacements, with the intent that once the final design was complete, Western Summit would, as a Construction Manager at Risk (CMAR), develop a Guaranteed Maximum Price (GMP) for the construction phase, and a construction contract would be executed. WSCI was chosen for this project through a competitive selection process.

The scope of work under the Ashland Reservoir Tank Replacements will be performed under base contract 14063A, awarded on October 10, 2012. The addition of Work Packages by Contract Amendments will be as shown in Table 1.

WSCI, as part of the CMAR duties, divided Work Package 1 into several bid packages that were competitively bid to subcontractors as shown in Table 2. WSCI was also allowed to bid competitively on bid packages. Denver Water and WSCI analyzed the bids received to determine the lowest responsive, responsible Bidder for each bid package.

Contingencies: In addition, Denver Water Staff will request approval of a 3% contingency fund of \$750,000.00 to be administered by Staff. Use of the contingency fund will be reported back to the Board.

Allowance: Due to the long timeframe of the contract, provisions were included to adjust base prices on certain commodities to allow market price changes based on industry-accepted indices, as evaluated and adjusted once a year by Denver Water Staff. Staff is requesting an allowance of \$3,000,000 to cover possible increases under these provisions. This allowance will be separate from the GMP, and will be used at the sole discretion of Staff, with annual reports to the Board.

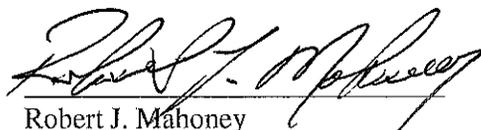
The MWBE goal for this Work Package is 5%. WSCI has achieved 18.75% participation, and has shown good faith effort on behalf of the bid package bidders. It is anticipated that the participation percentage for the overall project will rise as less-specialized portions of the work are bid in subsequent work packages.

The 2013 Capital Improvement Program (MPC 1DB0063) includes funds for this project for the amount to be expended in 2013. The project will carry over into 2014 through early 2017, and the remainder of the GMP will be budgeted and expended in those calendar years.

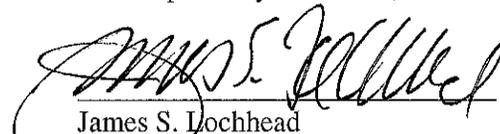
Recommendation:

It is recommended that the Board award Contract 14063B to Western Summit Constructors, Inc. for the Ashland Reservoir Tank Replacements with a total Work Package 1 GMP, approval of a contingency to be administered by Staff, and a market price adjustment fund to be administered by Staff, all totaling \$32,629,423.00.

Approvals:


Robert J. Mahoney
Director of Engineering

Respectfully submitted,


James S. Lochhead
CEO/Manager