

# AGENDA

## Denver Board of Water Commissioners

Denver Water Administration Building  
1600 West 12<sup>th</sup> Avenue  
Denver, CO  
Board Room, Third Floor

Wednesday, August 26, 2015 9:00 a.m.

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### I. BOARD ADMINISTRATIVE BUSINESS

A. **Call to Order and Determination of Quorum – (move to cafeteria for fluoride vote)**

B. **SPECIAL ITEM** – Resolution of the Board Regarding Community Water Fluoridation

C. **Public Comment and Communications – reconvene in Board Room**

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

D. **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. General Engineering Services On-Call Agreements
2. Request to Purchase Large Vehicles
- ~~3. Inspection, Repair and Maintenance for Overhead Cranes~~
4. Agreement with Urban Drainage and Flood Control District for the Final Design, Right-of-Way Acquisition and Construction of Drainage and Flood Control Improvements along Cherry Creek from Monaco Parkway to Iliff Boulevard
5. Maintenance & Support Services for Data Storage Equipment

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

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



6. Master Contract Amendment with Vectronics Marketing, Inc.
7. Amendment to 1992 Climax-Denver Agreement

#### **B. Individual Approval Items**

- |   |             |         |
|---|-------------|---------|
| <b>1. Actuarial Services Contract</b>   | Usha Sharma | 5 min.  |
| <b>2. Update of the Investment Policy for the Water Works Fund Portfolio</b>                                | Usha Sharma | 5 min.  |
| <b>3. Learning Management System Subscription and Implementation Services Contract</b>                      | Gail Cagle  | 10 min  |
| <b>4. Third Amendment to Agreement with Mortenson Construction for the Operations Complex Redevelopment</b> | Jeremy Ross | 10 min. |
| <b>5. Operations Complex Redevelopment Project General Contractor - Construction Manager at Risk</b>        | Jeremy Ross | 10 min. |

### **III. POLICY MATTERS**

- |                                  |             |         |
|----------------------------------|-------------|---------|
| <b>A. OCR Update</b>             | Jeremy Ross | 10 min. |
| <b>B. Gross Dam Raise Update</b> | Jeff Martin | 1 hour  |

### **IV. MONTHLY AND QUARTERLY REPORTS**

#### **A. CEO Report**

#### **B. CFO Report**

1. Monthly Financial Report

**C. Operations Report**

**V. INFORMATION ITEMS**

**A. Scheduling of Future Board Meetings and Tentative Discussion Topics**

**B. Event Calendar**

**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)(c)p**

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 29, 2015

Board Item: Special

**Resolution of the Board regarding  
Community Water Fluoridation**

Action by Consent

Action

Information

The Board recently decided to examine the issue of community water fluoridation, holding a public forum on July 29, 2015, and opening a public comment period, which garnered several hundred comments from individuals and organizations.

The Board and Denver Water staff have reviewed the contents of comments and presentations, and have researched Denver Water's history and practice of managing fluoride levels in our drinking water.

Recommendation:

It is recommended that the Board adopt a resolution determining to continue its practice of community water fluoridation.

**Approvals:**

Respectfully submitted,

  
\_\_\_\_\_  
Patricia Wells  
General Counsel

  
\_\_\_\_\_  
for James S. Lochhead  
CEO/Manager

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-A-1

## **General Engineering, Construction Management And General Planning Services On-Call Agreements**

Action by Consent

Action

Information

### Summary:

Since 2007, Denver Water's Engineering Division has been utilizing a variety of firms for General Engineering Services through On-Call Consultant Agreements, all of which expire in August 2015. A new RFP was issued on April 21, 2015 which included 28 open categories comprised of technical disciplines to support Engineering, Construction Management, Operations and Maintenance, and Planning.

On-call Agreements allow Denver Water to quickly and efficiently execute Task Orders with qualified business partners, and are generally used for staff augmentation on smaller, tightly scheduled projects under \$100,000.00. Larger projects would continue to use Denver Water's standard selection process that includes a Request for Proposal, proposal ranking, interviews and final selection. Construction Management Task Orders will often exceed \$100,000.00 and will be presented to the Board for authorization prior to execution.

### Budget Information:

On-Call Agreements carry no dollar value; Task Orders executed under them utilize budgeted funds from various project budgets.

### Selection of Business Partner:

Advertising for the RFP was published in the Dodge Construction Daily Journal, posted as a Business Opportunity on denverwater.org, and directly sent to over 800 consultants and contractors. The Advertisement was also sent out to eight S/MWBE trade organizations. Engineering sponsored a pre-proposal information session on May 6, 2015 that was attended by over 100 firms. On May 22, 2015, proposals were received from 109 firms.

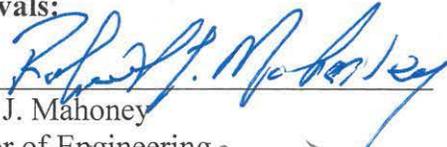
Discipline-specific teams of Engineering and Planning staff evaluated each of the firms based on the following criteria: 1) Experience on similar projects, 2) Qualifications of key personnel, 3) Capability of local staff, 4) Proposal quality, and 5) Professional Project Manager qualifications of personnel. Firms were given scores and then ranked. Following this quality-based selection process, 82 top-ranked firms were selected to be issued "No Cost" On-Call Consultant Agreements which define the terms of the contractual relationship and support future Task Orders by which the project scopes and budgets are established. Of the 19 Minority and Woman Business Entities (MWBE) who proposed, 10 were selected.

Attachment A presents the 2015-2018 General Engineering/Construction Management/General Planning Services Matrix of selected firms by discipline. On-Call Consultant Agreements are issued for a three-year period, with an option to extend each contract for two additional one-year terms depending on consultant performance.

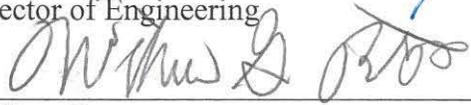
### Recommendation:

It is recommended the Board approve the no-cost 2015-2018 General Engineering, Construction Management and General Planning Services On-Call Consultant Agreements with the 82 business partners listed in Exhibit A.

**Approvals:**



Robert J. Mahoney  
Director of Engineering



William Bates  
Acting Director of Planning



Tom Roode  
Director of Operations & Maintenance

Respectfully submitted,



James S. Lochhead  
CEO/Manager



Patti Wells  
General Counsel



Terri Bryant  
Controller

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-A-2

## Request to Purchase Large Vehicles

Action by Consent

Action

Information

### Summary:

Several large vehicles have been identified for replacement in 2015 due to age (15.5 years average), increasing repair cost and general condition: three ten-yard dump trucks and a heavy duty utility truck. These large trucks are vital to installing pipe, performing emergency repairs and play a key role in achieving our goal of reduced outages to our customers. Through Lean efforts over the past year, Transmission and Distribution crews have been operating flow cells that require a side-dump tractor and trailer to haul aggregate and dispose of spoils. One of these tractor units has been leased over the last year in order to confirm the best type of unit to own. Best fit has been confirmed, and that unit is included in this purchase.

### Budget Information:

These items will be purchased as part of Denver Water's 2015 Vehicle Replacement under 3HH0001.

2015 Budget	\$ 2,632,000.00
Amount Requested This Item	\$ 624,088.00
YTD Expenditures	\$ 1,988,539.00
Dollars Budgeted for Future Years	\$
Revised Estimate	\$
Budget Adjustment	\$ 0

### Selection of Business Partner:

Denver Water leveraged competitively bid cooperative agreements from other governmental entities to obtain market competitive purchase prices for these items.

### Recommendation:

It is recommended that the Board approve the purchase of the three ten-yard dump trucks, one heavy duty utility truck, and one side-dump tractor.

### **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: August 26, 2015

Board Item: II-A-4

## **Agreement with Urban Drainage and Flood Control District For the Final Design, Right-of-Way Acquisition and Construction of Drainage and Flood Control Improvements along Cherry Creek from Monaco Parkway to Iliff Boulevard Agreement 16353A**

Action by Consent

Action

Information

### Summary:

Since 1890, Denver Water has owned land in Arapahoe County located at Cherry Creek Drive South and East Iliff Avenue, commonly known as the Cherry Creek Galleries property. This 35-acre property is bisected by the Cherry Creek watershed urban corridor, which is maintained by the Urban Drainage and Flood Control District. The Cherry Creek watershed is fully developed and rapid stormwater runoff associated with the urbanization of the basin tends to erode the channel bed and banks. Specifically, the Cherry Creek Galleries property has deeply incised channel and bank erosion that disconnects the lowflow channel from the overbank floodplain.

The Urban Drainage and Flood Control District completed an updated Cherry Creek Stabilization Plan in 2011 to identify the preferred channel stabilization methods, which included the reach on the Cherry Creek Galleries property. Specifically, the study recommended the construction of three drop structures in the channel, 17A, 17B and 17C, and bank stabilization on the Cherry Creek Galleries property. In 2014 Urban Drainage and Flood Control District created a Capital Improvement Project for the Cherry Creek stabilization from Monaco Boulevard to East Iliff Avenue based on funds provided by the City and County of Denver and the District itself.

Denver Water elected to be a project sponsor and is contributing \$280,000.00 through an Agreement to ensure the capital improvements includes the construction of Drop Structures 17A, 17B, and 17C, in the channel and stabilization of the Cherry Creek bank on the Cherry Creek Galleries property. Urban Drainage and Flood Control District selected Muller Engineering as the Design Engineer to complete the design and obtain any necessary permits for this project. Urban Drainage and Flood Control District will bid, award and manage the construction activities and provide as-built maps to Denver Water at project closeout.

### Budget Information:

The 2015 Capital Improvement Plan (MPC 2AA0821) includes sufficient funds for this project.

2015 Budget	\$	280,000.00
Amount Requested This Item	\$	280,000.00
YTD Expenditures	\$	0.00
Dollars Budgeted for Future Years	\$	0.00
Revised Estimate	\$	280,000.00
Budget Adjustment	\$	0.00

The \$280,000.00 will be paid in a lump sum to the Urban Drainage and Flood Control District in 2015.

Recommendation:

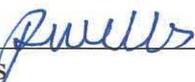
It is recommended that the Board approve Agreement 16353A with Urban Drainage and Flood Control District for final design, and construction of drainage and flood control improvements within the Cherry Creek Galleries property for the contract period August 26, 2015 through August 2019 for a total contract amount not to exceed \$280,000.00.

**Approvals:**

Respectfully submitted,

  
\_\_\_\_\_  
Robert J. Mahoney  
Director of Engineering

  
\_\_\_\_\_  
James S. Lochhead  
CEO/Manager

  
\_\_\_\_\_  
Patti Wells  
General Counsel

  
\_\_\_\_\_  
Terri Bryant  
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-A-5

**Maintenance & Support Services for Data Storage Equipment  
Park Place Technologies – Contract 13700A**

Action by Consent

Action

Information

Summary:

In August of 2011, Denver Water selected Park Place Technologies to provide post-warranty maintenance and support services for HP data storage equipment, specifically, two EVA-8400 storage area networks. This equipment has been the used to store the majority of Denver Water’s electronic files and databases at both the primary datacenter and the alternate datacenter. Park Place Technologies was selected based on their pricing and ability to offer in-town engineers and parts availability. Costs for this fifth year of maintenance and support services will result in total contract spending exceeding \$100,000 and thus requiring Board approval. IT intends to re-bid these service in 2016.

Budget Information:

The cost for these services is included in the 2015 IT Infrastructure Operating Hardware.

2015 Budget (for IT Infrastructure Hardware)	\$ 1,110,250.00
Amount Requested This Item	\$ 20,549.76
YTD Expenditures	\$ 245,560.00
Dollars Budgeted for Future Years	\$ 0.00
Revised Estimate	\$ 0.00
Budget Variance Required	\$ 0.00

Recommendation:

It is recommended the Board approve additional funding of \$20,549.76 on contract 13700A for the purchase of continued maintenance and support services for the data storage equipment described above through Park Place Technologies through July 31, 2016, for a total amount not to exceed \$103,576.34.

**Approvals:**

Respectfully submitted,



Chris R. Dermody  
Director of Information Technology



James S. Lochhead  
for CEO/Manager



Terri Bryant  
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-A-6

**Master Contract Amendment with Vectronics Marketing, Inc. for  
IT Equipment Maintenance and Support Services  
Contract #15425A**

Action by Consent

Action

Information

Summary:

In June of 2014, Denver Water entered into a master contract with Vectronics Marketing, Inc., who serves as a transaction processor for OEM (original equipment manufacturer) maintenance and support contracts. These maintenance and support contracts are with vendors such as HP and Cisco for equipment such as network routers, switches, enterprise servers and monitoring software. The primary purpose of the master contract with Vectronics is to provide a better mechanism for monitoring spending on certain OEM maintenance and support contracts. The Vectronics master contract was initially established for a three year period, but with only sufficient funding for one year. This contract amendment will add additional funding to the contract for the remaining two years.

Budget Information:

The cost for these services is included in the 2015 IT Infrastructure Operating Hardware.

2015 Budget (for IT Infrastructure Hardware)	\$ 1,089,370.00
Amount Requested This Item	\$ 900,000.00
2015 YTD Expenditures	\$ 539,480.63
Dollars Budgeted for Future Years *	\$ 1,781,624.00
Revised Estimate	\$ 1,089,370.00
Budget Variance Required	\$ 0.00

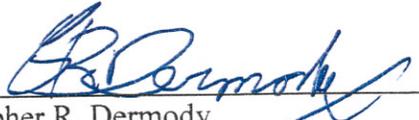
\* Contract funding for subsequent years will be included in the 2016 and 2017 budget

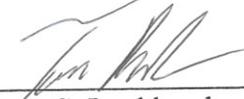
Recommendation:

It is recommended the Board approve additional funding of \$900,000.00 on contract 15425A for the purchase of OEM maintenance and support contracts through May 31, 2017, for a total contract amount not to exceed \$1,350,000.00.

**Approvals:**

Respectfully submitted,

  
\_\_\_\_\_  
Christopher R. Dermody  
Director of Information Technology

  
\_\_\_\_\_  
James S. Lochhead  
per CEO/Manager

  
\_\_\_\_\_  
Terri Bryant  
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-A-7

**Amendment to 1992 Climax-Denver Agreement  
Contract No. 04394C**

Action by Consent

Action

Information

In 1992 Climax Molybdenum Company sold Clinton Reservoir to the Clinton Ditch and Reservoir Company, leading to the 1992 Clinton Reservoir – Fraser River Agreement (“Clinton Agreement”) between the Reservoir Company and Denver Water. Simultaneously, Denver Water entered into an agreement with Climax (“Climax-Denver Agreement”) to repay Climax with water maintained in Denver Water’s account in Clinton Reservoir if operations under paragraph 1(b) of the Clinton Agreement resulted in accrual to Denver Water of water that would otherwise have been available for diversion by Climax.

Paragraph 6 of the Climax-Denver Agreement provides that if paragraph 1(b) of the Clinton Agreement is modified to result in additional accruals of water to Denver Water, Climax and Denver Water would amend the Climax-Denver Agreement to mitigate any adverse impact to Climax resulting from the modification.

Article III.C.2 of the Colorado River Cooperative Agreement (“CRCA”), which is now effective, modifies paragraph 1(b) of the Clinton Agreement, necessitating an amendment to the Climax-Denver Agreement. This amendment to the Climax-Denver Agreement satisfies the requirement of paragraph 6 to mitigate the potential impact to Climax that could result from Article III.C.2 of the CRCA.

Budget Information:

No monies are involved with this amendment.

Selection of Business Partner:

This amendment does not require competitive selection.

Recommendation:

It is recommended that the Board approve the amendment to Contract No. 04394C with Climax Molybdenum Company.

**Approvals:**

Respectfully submitted,

  
\_\_\_\_\_  
Patricia Wells  
General Counsel

  
\_\_\_\_\_  
James S. Lochhead  
for CEO/Manager

  
\_\_\_\_\_  
William G. Bates  
Acting Director of Planning

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-B-1

## Actuarial Services Agreement Contract # 16111A

Action by Consent

Action

Information

### Summary:

Denver Water recently requested proposals to provide actuarial services and benefit statements. The services requested included preparation of the annual actuarial valuation for the Defined Benefit (DB) Plan and Other Post-Employment Benefits (OPEB), preparation of annual employee benefit statements, retirement calculator used by Human Resources to calculate pension payments, and other consulting services related to plan design and benefit calculations over a five year period.

Denver Water interviewed the top proposers with the members of the Retirement Program Committee (RPC). After evaluation, the RPC selected Gabriel Roeder Smith & Company (GRS) as the firm proposing the best value for Denver Water.

GRS is a national actuarial and benefits consulting firm that focuses on services for the public sector. The Board previously retained GRS in 2009 to complete a Retirement program study.

### Budget Information:

2015 Budget	\$	1,206,861.00
Amount Requested This Item*	\$	422,750.00
YTD Expenditures	\$	711,585.00
Dollars Budgeted for Future Years	\$	5,038,900.00
Revised Estimate	\$	1,206,861.00
Budget Adjustment	\$	0.00

\*Contract funding for future years will be included in 2016-2020 budget

### Selection of Business Partner:

On June 11, 2015 Denver Water issued a Request for Proposals (RFP) for actuarial services. 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. Three vendors responded, none are MWBE. The vendor selection criteria included an evaluation of price, understanding of work, staffing plan, experience, service level and organizational structure.

### Recommendation:

It is recommended that the Board approve Contract 16111A with Gabriel Roeder Smith & Company for actuarial services for the contract period August 28, 2015 through July 31, 2020 for a total contract amount not to exceed \$422,750.

**Approvals:**



Angela Brimont  
Director of Finance.

Respectfully submitted,



James S. Lochhead  
for CEO/Manager



Terri Bryant  
Controller

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: 08/26/2015

Board Item: II-B-2

## Update of the Investment Policy for the Water Works Fund Portfolio

Action by Consent

Action

Information

On August 2011, the Board adopted an amended current investment policy statement (IPS) for the Water Works Fund ("WWF"). The IPS is a document which sets forth the organization's investment goals and objectives, and has governed the investment activity of investment personnel. The IPS is subject to review each year by investment professionals to determine whether modifications to the current policy statement are necessary. Following the most recent review, the staff is recommending a few changes to policy, the most significant of which are outlined below.

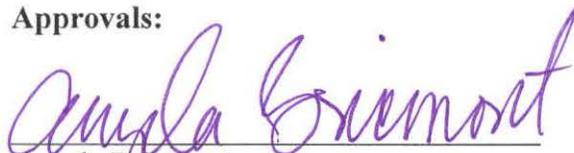
1. *Removal of Stable NAV requirement for MMFs*
2. *Changes in the Concentration Limits for Commercial Paper, Corporates, and Bankers' Acceptances*
3. *Addition of Municipal Bonds in list of Permitted Investments*

Attached to this board item are redlined and clean copies of the IPS.

### Recommendation:

It is recommended that the Board approve the attached amended Investment Policy for the Water Works Fund.

### **Approvals:**

  
Angela Bricmont  
Director of Finance

Respectfully submitted,

  
James S. Lochhead  
for CEO/Manager

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-B-3

## **Learning Management System Subscription and Implementation Services Contract 15560A**

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Action by Consent

Action

Information

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### Summary:

Denver Water desires to implement a Learning Management System (LMS) to support targeted employee skills development, cross training and competency management. The LMS will provide an organization-wide solution integrated with PeopleSoft, securely accessible, 24/7 from all Denver Water locations (field and main campus) for all employees. It will enable Denver Water to align with the Denver Water Strategy to develop employees, roll out and track all training and learning opportunities, including eLearning, online WebCasts, classroom training, competencies and customized certifications. Learning paths, competencies and progressions will be tied to job descriptions and requirements for progression which will allow for greater efficiency identifying potential succession and cross training candidates based on job responsibilities and held (or in-process) certifications. In addition, the LMS will provide detailed compliance reporting across the organization based on required training, certifications (both new and renewals) as well as progress made on job requirement-based learning paths.

The LMS will enable Denver Water to:

1. Lower administrative costs for training program management
2. Increase employee productivity due to faster employee time-to-competent
3. Reduce risk associated with not meeting regulatory compliance training
4. Decrease undesirable turnover costs by providing focused development opportunities
5. Improve Denver Water productivity by ensuring training activities strategically align with employee development needs
6. Reduce travel and facility costs through the use of eLearning and virtual classrooms

### Budget Information:

The Learning Management System will be hosted by a third-party vendor, providing the software as a service, charging annual software subscription fees, plus additional fees for web training and support services. Annual fees will be locked in for an initial three-year period and are estimated at approximately \$30,250/ year, based on an average of 1,200 users. Additionally, there is a one-time fee to fully implement the LMS not to exceed \$67,500. It is intended that the LMS will be utilized beyond the initial three-year contract period. Subsequent annual subscription and support fees will be renegotiated prior to the third anniversary date of the contract.

First year expenses for this contract are fully budgeted in the 2015 Information Technology – LMS Project budget (MPC: 3HN0064). Annual subscription and support fees for subsequent years will be included in future year budgets, subject to approval.

2015 Budget (TOE - 5900 \$120,610) (TOE - 5012 \$54,390)	\$	175,000.00
Amount Requested This Item (3 year contract)	\$	175,000.00
YTD Expenditures	\$	0
Dollars Budgeted for Future Years	\$	0
Revised Estimate	\$	175,000.00
Budget Adjustment	\$	

Selection of Business Partner:

A Request for Information (RFI) was issued in July 2014 to secure information about available learning management systems and was followed by a Request for Proposal (RFP) in November 2014. The RFP was issued on Rocky Mountain E-Purchasing System (BidNet). Denver Water received responses from six proposers, of which one is a Minority and Women Business Enterprise (MWBE). Proposals were evaluated based on many factors, including system functionality, implementation methodology, customer references, system integration requirements, ongoing maintenance requirements, and price. The award recommendation is based on best value.

Recommendation:

It is recommended that the Board approve Contract 15560A with Cornerstone OnDemand, Inc. for the implementation and subscription to a learning management system, for a three year contract period beginning August 26, 2015 for a total contract amount not to exceed \$175,000.

**Approvals:**

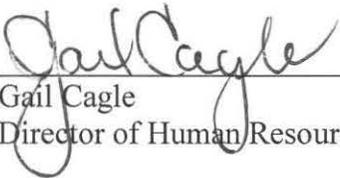
Respectfully submitted,



Chris Dermody  
Director of Information Technology



James S. Lochhead  
CEO/Manager



Gail Cagle  
Director of Human Resources



Terri Bryant  
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-B-4

**Third Amendment to Agreement with Mortenson Construction for  
The Operations Complex Redevelopment  
Agreement 15511A**

Action by Consent

Action

Information

Summary:

The purpose of this amendment is to have Mortenson Construction provide pre-construction services through the end of the pre-construction phase of the OCR Project. Pre-construction services include constructability and budget reviews, development and refinement of construction budgets, review of design packages and design assist for the project. Mortenson will hire sub-contractors for major portions of the work including mechanical, electrical, and precast concrete prior to construction to assist with design development. This amendment provides funding for pre-construction for 28 months through December, 2017 as a supplement to the construction contract. All of the compensation included in this amendment is part of the overall project budget approved by the Board on May 27, 2015.

Budget Information:

The 2015 Capital Improvement Plan (MPC 1HA0006) includes sufficient funds to be expended in 2015. The remaining funds will be budgeted in future years.

Selection of Business Partner:

After a public advertisement and request for proposals in which 6 proposals were received, the Board entered into Agreement 15511A with Mortenson Construction on May 14, 2014 to provide pre-construction services as the General Contractor – Construction Manager at Risk. Mortenson is working with RNL Design and TC Denver Development to execute the OCR Project.

*There was no specific Minority and Women Business Enterprise (MWBE) goal established for this amendment; however, the construction contract includes a requirement of 18% MWBE participation.*

Recommendation:

It is recommended that the Board approve the Third Amendment to Agreement 15511A with Mortenson Construction for pre-construction services for the OCR Project. The amendment will extend the contract period through January 31, 2018. The total amendment is \$319,200.00 for a total amended contract amount not to exceed \$501,600.00.

**Approvals:**

Respectfully submitted,

*for*   
\_\_\_\_\_  
Robert J. Mahoney  
Director of Engineering

  
\_\_\_\_\_  
James S. Lochhead  
*for* CEO/Manager

  
\_\_\_\_\_  
Patti Wells  
General Counsel

  
\_\_\_\_\_  
Terri Bryant  
Controller

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 26, 2015

Board Item: II-B-5

**Operations Complex Redevelopment Project  
General Contractor - Construction Manager at Risk  
Contract 15630A**

Action by Consent

Action

Information

Summary:

The purpose of this contract is to have Mortenson Construction build the facilities associated with the Operations Complex Redevelopment (OCR) Project as the Construction Manager at Risk (CMAR). Mortenson will be responsible for the overall construction including management of all sub-contractors.

Budget Information:

The 2015 Capital Improvement Plan (MPC 1HA0006) includes sufficient funds to be expended in 2015. The remaining funds will be budgeted in future years.

Selection of Business Partner:

In April 2014, after a competitive selection process, including review of qualifications and interviews, Mortenson was hired to be the CMAR for the OCR Project. To date, Mortenson has provided pre-construction services under Contract 15511A including participation in design activities, providing cost estimating and constructability input for the project. Mortenson has been an integral part of the project team leading up to construction.

Mortenson will be compensated for the work under this contract based on the overall construction budget of \$154,500,081.00, which is part of the overall project budget of \$195,802,331.00 approved by the Board on May 27, 2015. The construction budget will be broken down into a minimum of four separate Work Packages (WP), each containing its own Guaranteed Maximum Price (GMP). Each WP GMP will be comprised of the cost of the work, general conditions cost, overhead and profit and will include milestone completion dates per the overall schedule. Mortenson will be required to provide "open book" review of all construction costs prior to execution of each WP GMP. Each WP GMP will be presented to the Board as it is developed for information.

*The Minority and Women Business Enterprise (MWBE) goal for this contract has been established as 18% MWBE participation.*

Recommendation:

It is recommended that the Board approve Contract 15630A with Mortenson Construction for the Construction Manager at Risk for the OCR Project. The Contract period will go from August 26, 2015 through January 30, 2020. The total contract amount is not to exceed \$154,500,081.00.

**Approvals:**

Respectfully submitted,

  
\_\_\_\_\_  
for Robert J. Mahoney  
Director of Engineering

  
\_\_\_\_\_  
James S. Lochhead  
for CEO/Manager

  
\_\_\_\_\_  
Patti Wells  
General Counsel

  
\_\_\_\_\_  
Terri Bryant, CPA  
Controller