



STAFF REPORT

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Mark Marlowe, P.E., Director of Castle Rock Water
Roy Gallea, P.E., Engineering Manager
Frank N. Main, Project Manager

Title: **Resolution Approving a Construction Contract Between the Town of Castle Rock and 53 Corporation, LLC, for the McMurdo Gulch Stream Reclamation Priority 3 Project.** [*McMurdo Gulch south of the intersection of Castle Oaks Drive and Autumn Sage Street*]

Executive Summary

Castle Rock Water is seeking Town Council approval of a Resolution (**Attachment A**) awarding a Construction Contract to 53 Corporation, LLC (53 Corp) for the McMurdo Gulch Stream Reclamation Priority 3 Project in the amount of \$2,412,127 plus approximately a 2% Town-managed contingency in the amount of \$48,000 for a total authorization of \$2,460,127.

The project is located adjacent to Castle Oaks Drive; at four sites south of the intersection of Castle Oaks Drive and Autumn Sage Street. Improvements generally include stream channel improvements at the McMurdo Gulch – multiple locations (Reaches 1, 2 and 3) and (Tributaries 5 and 6), consisting of Grading, Water Control, Unclassified Excavation, Boulder Cascade, Bank Protection, Riffle Drops and Pools, Type H Void-Filled Riprap, Type M Void-Filled Riprap, Boulder Steps, Landscape, Erosion Control, Sediment Control and related Appurtenances. This project will mitigate impact and preserve the natural drainageway within the project area (see **Attachment B**).

This project will be funded through the Stormwater Enterprise Fund, a developer contribution and through a Participation Agreement from the Cherry Creek Basin Water Quality Authority (Authority). Construction Notice to Proceed is scheduled for December 2024 with a construction completion projected in August 2025.

Notification and Outreach Efforts

The project is generally located within Town owned open space and vacant land. Town staff will provide project details and updates on the Town website, CRgov.com.

History of Past Town Council, Boards & Commissions, or Other Discussions

October 20, 2020 Town Council approved Resolution No. 2020-105, approving the Participation Agreement in the amount of \$34,000 between the Cherry Creek Basin Water Quality Authority and the Town of Castle Rock for the Design of Stream Reclamation Improvements for the McMurdo Gulch Priority 2 Project.

October 8, 2021 - Town Council approved a Subdivision Improvement Agreement with Stratus Terrain, LLC for the Terrain North Basin, which obligated funds for this project in the amount of \$1,770,250.

December 7, 2021 – Town Council approved Resolution No. 2021-113 approving the First Amendment to the Participation Agreement resulting in the Authority contributing \$386,000 toward construction of the Priority 2 Project.

January 4, 2022 - Town Council approved Resolution No 2022-005, approving a Service Agreement Between the Town of Castle Rock and Muller Engineering Company, Inc., for the McMurdo Gulch Stream Reclamation Priority 3 Project in the amount of \$499,803 plus a 10% Town-managed contingency in the amount of \$49,980 for a total authorization of \$549,783.

June 21, 2022 – Town Council approved Resolution No. 2022-068 approving the Second Amendment to the Participation Agreement resulting in the Authority contributing a total of \$170,121 toward design of the Priority 3 Project.

January 17, 2024 – Town Council approved Resolution No. 2024-005, approving a Service Agreement to Muller Engineering Company, Inc., for the McMurdo Gulch Stream Reclamation Project Priority No. 3 Supplemental Design, Bid Construction and Post Construction Services in the amount of \$359,956.

Town Council is considering a Resolution for the Third Amendment to the Participation Agreement with the Cherry Creek Basin Water Quality Authority (CCBWQA) for Design and Construction of Stream Reclamation Improvements for the McMurdo Gulch in the amount of \$1,120,226 which is a combination of \$251,380 currently held by the Town and not spent for the construction of the Priority 1 and 2 Improvements and \$868,846 in new funds budgeted for the Project for 2024.

Castle Rock Water staff presented this item to the Castle Rock Water Commission at their meeting held on October 30, 2024, and the Castle Rock Water Commission voted unanimously 6 to 0 to recommend Town Council approval of the Resolution as presented.

Discussion

McMurdo Gulch is a western tributary to Cherry Creek, extending along the eastern edge of the Town. The entire McMurdo Gulch channel is approximately 6.7 miles long from the headwaters to the confluence with Cherry Creek and encompasses a tributary area of approximately 6.5 square miles. The McMurdo Gulch Stream Reclamation Priority 3 Project is a continuation of the work previously completed in the McMurdo Gulch (Priority 1 & 2) in the years 2020/2021/2022. The Project sponsors are CCBWQA and the Town of Castle

Rock which is the project lead. A Developer contributed \$1,770,250 to the Town for the Project through a Development Agreement. The Town is entering into a third Amendment to the Participation Agreement with CCBWQA for additional funding for construction of the project, this third Amendment is being considered concurrently with this construction contract. The proposed stream improvements benefit the water quality in McMurdo Gulch and the Cherry Creek Reservoir by reducing bed and bank erosion and immobilizing Phosphorus in the adjacent soils. It is estimated that this 0.7 mile long-project will immobilize 63 pounds of phosphorus annually.

Following approval of the design documents, the project was advertised for public bid September 10, 2024 on the Town's Rocky Mountain Bid Net site. Bids were received from six contractors on Thursday September 26, 2024. Upon review of the bids, project budget and project scope, Stormwater staff is recommending to proceed with award of a construction contract with 53 Corp. Below are the results of the bids received:

Contractor	Total
L4 Construction	\$4,380,153.45
Monks Construction	\$4,073,122.75
53 Corporation	\$2,412,127.00
Meridiam Partners	\$3,796,759.76
Frontier Environmental	\$3,707,799.00
FNF	\$3,557,963.35
Engineers Estimate	\$3,343,965.80

The 53 Corp. bid was determined to be the lowest qualified bid. 53 Corp. has successfully completed multiple stream stabilization and drainage projects for the Town. Previous projects completed by 53 Corp. have come in within budget, with minimal change orders.

It is noted that the bid received from 53 Corp. is much lower than the other contractors' bids as well as the engineer's estimate. As a result, the design engineer for this project along with Town staff and 53 Corp. have fully reviewed the bids and are confident 53 Corp. will successfully complete the job within budget and on schedule.

Construction Notice to Proceed is anticipated in December 2024, and the project will be substantially complete by August 2025, weather permitting.

Budget Impact

The Table below provides a breakdown of planned funding by sponsors for the McMurdo Gulch Stream Reclamation Priority 3 Project.

Sponsor	Previous Project Contributions	New Funding Contribution 2024	Transfer of leftover funds from McMurdo Priority 1 & 2	Total Contribution	Percent Contribution
Developer Contribution	\$225,000	\$1,545,250	-----	\$1,770,250	34%
CCBWQA	\$170,121	\$868,846	\$251,380	\$1,290,347	25%
Town of Castle Rock Stormwater	\$285,362	\$1,140,696	\$675,345	\$2,101,403	41%
Total Project Cost	\$680,483	\$3,554,792	\$926,725	\$5,162,000	100%

ACTUAL PROJECT COST			
Engineering	Acquisition	Construction	Total
\$ 1,006,080.60	\$ 256,365.63	\$ 2,997,670.00	\$ 4,260,116.23
SPONSOR FUNDING COST SPLIT			
Town of Castle Rock			\$ 1,424,837.17
CCBWQA at 25% Total Cost			\$ 1,065,029.06
Developer Fixed Cost			\$ 1,770,250.00
Total			\$ 4,260,116.23

Funds for this Construction Contract will be charged to the Stormwater capital account below. Sufficient stormwater funds for this project are included in the 2024 budget.

Fund Description	Account Number	Amount	Contingency	Total	2024 Budget Balance
McMurdo Gulch Stream Stbl	212-4475-444.75-51	\$2,412,127	\$48,000	\$2,460,127	\$3,170,961

The 2024 Budget Balance of \$3,170,961 includes both the Developer and CCBWQA contributions to the project.

Staff Recommendation

Staff recommends Town Council approval of a Resolution awarding a Construction Contract with 53 Corporation, LLC for the McMurdo Gulch Stream Reclamation Priority 3 Project at a cost of **\$2,412,127** plus a 2% Town-managed contingency in the amount of \$48,000 for a total authorization in the amount of \$2,460,127.

Proposed Motion

“I move to approve the Resolution as introduced by title.”

Alternative Motions

“I move to approve the resolution as introduced by title, with the following conditions: (list conditions).”

“I move to continue this item to the Town Council meeting on _____ date to allow additional time to (list information needed).”

Attachments

Attachment A:	Resolution
Exhibit 1:	Construction Contract
Attachment B:	Project Site Map