



Town of Castle Rock

Agenda Memorandum

Agenda Date: 12/3/2019

Item #: 27. **File #:** TMP 2019-814

To: Honorable Mayor and Members of Town Council

From: Mark Marlowe, P.E., Director of Castle Rock Water

Resolution 2019-__ Approving an Agreement for a Construction Contract with 53 Corporation LLC for the McMurdo Gulch Stream Reclamation Project Priority 1 Improvements

Executive Summary

The purpose of this memo is to request Town Council authorization of Resolution 2019-__ (see **Attachment A**) Approving an Agreement for a Construction Contract between the Town of Castle Rock and 53 Corporation LLC for the McMurdo Gulch Stream Reclamation Project Priority 1 Improvements (see **Exhibit 1**). The value of this contract agreement is \$1,054,973 plus a 10% Town managed contingency in the amount of \$105,497 for a total authorization of \$1,160,470. This project was identified in the "McMurdo Gulch 2016 Reach Assessment Report" (Report), prepared by Muller Engineering Company (MEC), dated January 31, 2017. The Cherry Creek Basin Water Quality Authority (Authority), in their 2018 Capital Improvement Program, is contributing construction phase funding for this project in the amount of \$386,000 as approved in the "First Amendment to Participation Agreement for Design of Stream Reclamation Improvements for McMurdo Gulch," approved by Council through Resolution 2019-067. The Town's portion of the funding for this project comes from a mix of rates (33%) and development impact fees (67%).

This project is located adjacent to Castle Oaks Drive between the Terrain and Cobblestone Ranch neighborhoods and includes stream channel improvements at three separate locations identified in the Report where the channel has unraveled (see **Attachment B**). Improvements include grading, riffle drops, a boulder cascade drop, bank protection, and vegetation restoration along targeted locations that minimize channel disturbance. This surgical repair reclamation approach started along McMurdo Gulch in 2011 and continues to provide a cost-effective approach to maintaining a stable channel.

Below is a breakdown of total project costs by funding partner.

| Funding Partner | Design (2018) | Bidding and Construction Services (2019/2020) | Construction (2019/2020) | Total Project Cost | Total Budgeted Contributions |
|-----------------|---------------|---|--------------------------|--------------------|------------------------------|
| | | | | | |

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|-------------|-----------|----------|-------------|-------------|-------------|
| Castle Rock | \$149,822 | \$56,203 | \$870,352 | \$1,076,377 | \$1,257,000 |
| Authority | \$34,000 | \$18,734 | \$290,118 | \$342,852 | \$420,000 |
| Total | \$183,822 | \$74,937 | \$1,160,470 | \$1,419,229 | \$1,677,000 |

Notification and Outreach Efforts

The project is located within Town owned open space and designated drainage easements on vacant land owned by Starwood Land Ventures. Staff will provide notifications via direct mailings to adjacent property owners, news releases and social media postings, as needed. Project details and updates will be provided on CRgov.com/water.

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

Town Council approved the First Amendment to the Participation Agreement between the Town and the Authority in the amount of \$386,000 on June 4, 2019.

This project was presented at the October 23, 2019 Castle Rock Water Commission meeting as part of a broad effort and plan to address legacy Stormwater project needs. This project was presented under consideration of a reimbursement resolution that would allow reimbursement of expenses for this project between November 5, 2019 and the closing on the Stormwater debt late in December 2019. Commission unanimously recommended Council approval of the reimbursement resolution.

This project was presented at the November 5, 2019 Council meeting under Resolution 2019-119 as part of a broad effort and plan to address legacy Stormwater project needs. Resolution 2019-119 was unanimously approved by Council to allow reimbursement of expenses for this project between November 5, 2019 and the closing on the Stormwater debt late in December 2019.

Castle Rock Water Commission will be provided with an update at the scheduled December 11, 2019 meeting.

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. A reclamation plan was implemented in 2011 on McMurdo Gulch by the Town, stabilizing nine improvement reaches along the channel totaling a combined channel improvement length of approximately four thousand lineal feet. These nine improvement reaches were separated by healthy and stable segments of stream that had not experienced degradation yet. The Authority was a funding partner with the Town for the design and construction of the 2011 project. The project cost totaled approximately \$1.5 million of which the Authority contributed \$630,000. The project has shown tremendous success and has demonstrated a measurable improvement to water quality through the Authority's annual monitoring program.

As part of the 2011 project, the Town and the Authority identified a need to assess stream conditions on a regular basis to determine when future improvements would be needed. The Town conducted a stream assessment in 2017 following significant growth in the upper headwaters of McMurdo Gulch. The Report has identified four locations where the channel is experiencing stream degradation associated with head-cutting, failing berms with minimal vegetation, steep banks and incised channel areas. The total length of these four areas is approximately two thousand lineal feet.

Based on the Report summary, the Stormwater Division prioritized design of the recommended stream improvements in 2018 with construction of the improvements proposed in 2019 and 2020, based on funding availability. During the design phase, two areas were found to be experiencing additional degradation beyond that observed in the Report. During design the total project was adjusted to the three areas determined to be most critical with an approximate length of 1,500 lineal feet. The fourth area was placed on the next future channel reclamation project list.

Following approval of the design documents, the project was advertised for public bid from qualified contractors on October 17, 2019 on the Town's Rocky Mountain Bid Net site. A mandatory pre-bid conference was held on Wednesday, October 23, 2019. Bids were received on Thursday, November 7, 2019.

Bids were received from three contractors.

- The bid from Concrete Express, LLC, located in Denver, CO was \$1,857,479.65
- The bid from Frontier Environmental Services, located in Arvada, CO was \$1,532,080.95.
- The bid from 53 Corporation, LLC, located in Sedalia, CO was \$1,064,973.00.
- The Engineer's estimate for the project was \$1,405,998.00.

Each contractor was determined to be equally qualified to perform the stream reclamation work.

A second McMurdo Gulch project (McMurdo Gulch - Terrain Channel Improvements) was also bid at the same time with this project. Due to the close geographical proximity and similar nature of project construction, it was believed there may be fiscal benefit to the Town by potentially awarding both projects to either one contractor or two different contractors. Each contractor was provided an opportunity to include with their bid, a Bid Schedule Deduct on a Town approved form included in Addendum #1 to the bid document; applied only if one contractor was awarded both projects.

- The Bid Schedule Deduct from Concrete Express, LLC was \$9,000.
- The Bid Schedule Deduct from Frontier Environmental Services was \$20,000.
- The Bid Schedule Deduct from 53 Corporation, LLC was \$10,000.

Following the bid opening for the McMurdo Gulch - Terrain Channel Improvements, it was found that 53 Corporation, LLC was the low bidder for that project; thus, the Bid Schedule Deduct was applied as a deduction to 53 Corporation's bid price.

Budget Impact

Funds for this construction will be charged to the stormwater account below, which has a remaining

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budget of \$640,153 in 2019. Additional funds will be appropriated in a future budget amendment. Sufficient funds are available in the Stormwater capital reserve fund balance for this project. Authority contributions for construction in the amount of \$290,118 will be applied to this project at the 25% maximum contribution level per the Participation Agreement.

| <i>Fund Description</i> | <i>Account Number</i> | <i>Amount</i> | <i>Contingency</i> | <i>Total</i> |
|--------------------------------|------------------------------|----------------------|---------------------------|---------------------|
| McMurdo Gulch Priority 1 | 212-4475-444.75-51 | \$1,054,973 | \$105,497 | \$1,160,470 |

Staff Recommendation

Staff recommends authorization of a resolution awarding the Agreement for a Construction Contract between the Town of Castle Rock and 53 Corporation LLC for the McMurdo Gulch Stream Reclamation Project Priority 1 Improvements in the amount of \$1,054,973 plus a Town managed 10% contingency in the amount of \$105,497 for a total authorization of \$1,160,470.

Proposed Motion

"I move to approve the Resolution as introduced by title."

Attachments

Attachment A - Resolution

Exhibit 1 - Construction Contract

Attachment B - Project Site Map