



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
Shantanu Tiwari, Engineering Project Manager

Title: **A Resolution Approving a Construction Contract between the Town of Castle Rock and HEI Civil for Castle Rock Reservoir No. 2 (CRR2) and Castle Rock Reservoir No. 1 (CRR1) [Sedalia, CO]**

Executive Summary

Castle Rock Water (CRW) is seeking Town Council approval of a Resolution (**Attachment A**) approving a construction contract (**Exhibit 1**) with HEI Civil with a 5% contingency of \$1,324,507.95 for a total authorization of \$27,814,666.99 to provide construction services for the Castle Rock Reservoir No. 2 (CRR2) and capacity expansion construction services for the Castle Rock Reservoir No. 1 (CRR1). HEI Civil proposed a fee of \$26,490,159.04. This cost includes the construction of CRR2 and capacity expansion of CRR1. Staff is requesting a 5% contingency to be added to this project for a total authorization of \$27,814,666.99.

Raw water storage is a key component of CRW's 2021 Water Resources Strategic Master Plan in order to ensure a 75% renewable water supply by 2050. CRW ultimately wants to have adequate storage to meet one full year of demand. This reservoir system on Plum Creek is being expanded to optimize the raw water storage capacity on the Plum Creek Trust property near Sedalia, Colorado. CRW enjoys a blanket easement on this property upon which the Town may build and operate water diversion, storage and pumping facilities. The two reservoirs will be used to store treated wastewater effluent, junior water rights from Plum Creek and eventually, water pumped back from Chatfield Reservoir. The total finished storage capacity of the two reservoirs will be estimated to be 1,340 acre-feet (AF).

HEI Civil shall undertake the work upon execution of the agreement and shall complete work no later than May 31, 2025. A location map for the proposed Castle Rock Reservoirs is provided with this memorandum (**Attachment B**).

Discussion

CRW's long-term goal is to provide a sustainable, reliable, and renewable water supply for all of Castle Rock's citizens and businesses. Renewable water storage plays a

primary role in CRW's long-term renewable water plan. As part of this water supply plan, the Town of Castle Rock purchased a surface water diversion, pumping, and raw water storage facilities located along Plum Creek near the Town of Sedalia. The diversion point is downstream from the confluence of East and West Plum Creek, which will allow the Town to maximize the use of its water rights, including reusable supplies and native supplies owned in East and West Plum Creek. Existing facilities include a diversion structure, two pump stations, and a raw water storage reservoir, Castle Rock Water Reservoir No. 1 (CRR1) with a current capacity of 240 AF. The 40 cubic-foot-per-second (CFS) capacity diversion structure provides for the controlled diversion of water from Plum Creek to the Plum Creek Pump Station, which delivers water to CRR1 and to the Ravenna Pump Station (RPS).

Construction of the new Plum Creek Diversion Pump Station (PCDPS) was completed in August 2020, which replaced the existing Plum Creek Pump Station, and now pumps raw water from Plum Creek to CRR1 and from CRR1 to Plum Creek Water Purification Facility (PCWPF). As discussed in the Water Resources Strategic Master Plan (WRSMP), Castle Rock Water is planning to construct CRR2 with an estimated capacity of 790 AF immediately east of CRR1 and expanding the storage capacity of CRR1 to 550 AF. Both CRR2 and CRR1 will help CRW accommodate daily high demands during summer months in the coming years and as an additional storage vessel for those times when Castle Rock's junior surface water rights are in priority, or when free river conditions exist. These reservoirs will also be a location where water captured in Chatfield can be pumped back and then subsequently pumped to Castle Rock for treatment, or to Rueter-Hess Reservoir for storage on the east side of Castle Rock's system.

Construction services will include the construction of the CRR2 reservoir and the capacity expansion construction of CRR1.

CRR2 will be constructed on the Plum Creek Trust property which is located at 5219 Rio Grande Avenue in Sedalia. This 145-acre land parcel (Douglas County Parcel No. 2353-151-00-001) is owned by the Plum Creek Trust and is categorized as agricultural land. The Town of Castle Rock obtained a blanket easement at this property in 2017 as part of the purchase of numerous water assets located in Douglas County from United Water and Sanitation District (United).

An invitation to provide a Statement of Qualifications (SOQ) was posted on Bidnet on September 30, 2022 and a site visit was scheduled for October 21, 2022. As a result, 26 general contractors visited the site. After a review of the various SOQs, ten general contractors were short-listed as qualified to submit proposals for this project.

A Request for Bids was posted on Bidnet on February 2, 2023 to notify the prequalified general contractors to submit fee proposals for the construction of CRR2 and the capacity expansion of CRR1. As a result, five fee proposals were submitted. The Engineer's Estimate for the project was \$28,321,413,30. After a careful review of the fee proposals, CRW staff selected the proposal from HEI Civil for \$26,490,159.04 to recommend to Council.

The following table shows the fee proposals received from prequalified general contractors.

General Contractor	Proposed Fee
Ames Construction, Inc.	\$39,148,200.00
Hudick Excavating, Inc.	\$26,490,159.04
Odin Construction	Did not submit
Sema Construction	Did not submit
Kelly Trucking, Inc.	\$35,393,419.50
Big Sky Civil / Montana Civil (JV)	Did not submit
HPM, Inc. & Claystone Construction, Inc. (JV)	Did not submit
ESCO Construction Company	Did not submit
Moltz Constructors, Inc.	\$39,994,438.60
Monks Construction & JHL Constructors (JV)	\$33,993,974.33
Zak Dirt	Did not submit

After a careful review of the proposals, CRW selection committee along with W. W. Wheeler & Associates (design engineers) recommends general contractor HEI Civil. HEI Civil has extensive prior earthwork and reservoir construction experience, including the Firestone Reservoir No. 1 (Firestone, CO) and Ziegler reservoir (Snowmass, CO) enlargement. Staff is confident of HEI Civil capabilities to complete this project within budget and on schedule, and we recommend award of the construction contract to HEI Civil for \$26,490,159.04.

Budget Impact

Funding for this project will come from the Reservoir Upgrades account (Account No. 211-4375-443.79-15, Project Codes WR_CRR and WRCRR2). This account has a current balance in the amount of \$18,800,000.00 for 2023. Staff requests an additional \$1,324,507.95 (Town-managed 5% contingency) be authorized for a total project authorization of \$27,814,666.99. A budget amendment of \$9,014,666.99 will be necessary to fund the Reservoir Upgrades account.

Staff Recommendation

Staff recommends approval of the Resolution approving a construction contract for the construction of Castle Rock Reservoir No. 2 and capacity expansion construction services for the Castle Rock Reservoir No. 1 with HEI Civil in the amount of \$27,814,666.99 (***Attachment A***).

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
 Exhibit 2: Proposed Fee
Attachment B: Location Map