



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
Mark Henderson, P.E., Assistant Director
Josh Hansen, P.E., Project Manager Supervisor
Emily Huth, P.E., Project Manager

Title: **Resolution Approving the Third Amendment with W.W. Wheeler for Castle Rock Reservoirs No. 1 & 2 Construction Support Services** [*Sedalia, Colorado*]

Executive Summary

Castle Rock Water is seeking Town Council approval of a Resolution (**Attachment A**) approving the Third Amendment with W.W. Wheeler & Associates (Wheeler) to provide ongoing construction support services for the Castle Rock Reservoirs No 1. and 2 (CRR1&2) Project. The proposed amendment is an addition of contract fees in the amount of \$87,400, (total revised contract authorization of \$2,686,476) and will allow extension of engineering construction support and services to continue through construction completion and closeout anticipated in summer 2026. A town-managed contingency of \$8,740 will be requested resulting in a total authorization of \$2,695,216. Various project circumstances have extended the original project construction duration by approximately one year from the original estimated two-year construction duration.

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

On April 4, 2023 Town Council voted unanimously to approve a services agreement with Wheeler in the amount of \$2,111,200 along with authorization of an additional \$105,560 (5%) in staff-managed contingency for construction support services for the CRR1&2 Project.

On August 27, 2025 Town Council voted unanimously to approve the Second Amendment to the CRR1&2 Construction Support Services Agreement to increase the total authorized contract amount to \$2,599,076 and extend the contract expiration date to November 30, 2026.

Castle Rock Water staff presented this item to the Castle Rock Water Commission at their meeting held on July 22, 2026, and the Castle Rock Water Commission voted unanimously 6 to 0 to recommend Town Council approval of the Resolution as presented.

Discussion

Wheeler is the design engineer of record for the CRR1&2 Project. Town Council authorized a contract with Wheeler in April 2023 to provide construction engineering support services including the following:

- Full-time onsite construction observation and weekly meetings
- Formal responses to contractor requests for information
- Change Orders in accordance with State Engineer's Office Dam Safety Requirements
- Soil, concrete and pipeline testing review and coordination
- Reservoir liner testing, leak detection, and coordination
- Dam Safety final construction documentation for State Engineer's Office
- Floodplain Letter of Map Revision (LOMR)

The contract amount was \$2,111,200 and Council authorized an additional 5% (\$105,560) in staff-managed contingency. Based on the original construction contract completion term, Wheeler's contract assumed a two-year construction period from April 2023 through April 2025.

Various project circumstances have resulted in extension of the construction schedule through Summer of 2026. In April 2025, the Town Manager approved the First Amendment to the Wheeler Agreement which authorized utilization of the original 5% contingency to extend the total contract to \$2,216,760 and extended the contract date through November 30, 2026. At that time, it was anticipated that the additional approved \$105,560 in funding would allow construction support services to continue through July 2025 and that an additional Council-approved Second Amendment would be needed fund construction support services through completion and closeout of the project in 2026. The Second Amendment was approved in August 2025 to increase the total authorized contract amount by \$328,316 to \$2,599,076 to provide funding for additional onsite construction support, closeout assistance and post-construction documentation.

Staff solicited a proposal from Wheeler to continue onsite construction support services through July 2026, which is beyond the April 2026 substantial completion date as onsite construction activities still required engineering oversight at those times. The extended duration of construction is primarily due to electrical and controls installation challenges, requiring additional time from both Wheeler and LSI. Several cathodic protection issues were also identified during the final cathodic protection testing, requiring additional support from Qualcorr. Wheeler is already scoped under the existing agreement to provide project closeout tasks (construction as-builts, dam safety documentation submittal with the state, LOMR) that will occur after the onsite construction support is complete, so this Amendment does not include fee for those activities. Wheeler's proposal for extension of services (**Attachment B**) is in the amount of \$87,400 and is based on the contractor's current schedule for construction completion in July 2026.

Budget Impact

This contract amendment will add \$87,400 in fees to the existing contract and Purchase Order 002638 for a total contract value of \$2,686,476. A 10% town-managed contingency (\$8,740) is being requested for a total authorization of \$2,695,216.

Project	Account Number	This Authorization	Total Contract Value	Contingency	Total Authorization	Account Budget
Capital Improvement Prgm/ Reservoir Upgrades	211-4375-443.79-15	\$87,400	\$2,686,476	\$8,740	\$2,695,216	\$634,545

Staff Recommendation

Staff recommends approval of the Third Amendment to the Services Agreement with Wheeler for CRR1&2 Construction Support Services increasing the total contract fees by \$87,400 to \$2,686,476. Total authorization to include a town managed contingency totaling \$2,695,216.

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: Agreement
Attachment B: Location Map