



Town of Castle Rock

Agenda Memorandum

Agenda Date: 3/17/2020

Item #: 16. **File #:** TMP 2020-079

To: Honorable Mayor and Members of Town Council

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

Resolution Approving a Construction Contract between the Town of Castle Rock and Iron Mike Construction, LLC to Construct the Castle Rock Water Administration and Customer Service Building

Executive Summary

Castle Rock Water staff request approval of a Resolution (see **Attachment A**) approving a Construction Contract (see **Exhibit 1**) with Iron Mike Construction, LLC for constructing Castle Rock Water's Administration and Customer Service Building at a contract amount of \$3,892,312.

A competitive bidding process was used to obtain bids from eight qualified contractors. Base bids ranged from \$3,719,000 to \$4,537,025 and each bid was evaluated for completeness to ensure that the bid meets all the requirements identified in the invitation to bid and specifications. All bids were determined to be responsive and complete. In addition to the base bid, 3 bid alternates were evaluated that include: 1) removal and disposition of three existing office trailers; 2) a roof-mounted photovoltaic solar array for renewable energy generation; and 3) landscaping and irrigation. Calahan Construction Services and Iron Mike Construction, LLC submitted the two lowest base bids, \$3,719,000 and \$3,767,964, respectively. With all three bid alternates included, Iron Mike Construction had the lowest bid at \$3,999,903 compared to Calahan's total bid of \$4,077,800.

Interviews were conducted with each contractor team to further evaluate the information in each bid as well in order to get to know each team. Based on both the information submitted with the bids and face-to-face interviews, CR Water recommends award of the contract to Iron Mike Construction at a cost of \$3,892,312. This amount includes the base bid referenced above plus bid alternates 1 and 2. Since landscaping and irrigation work will be completed in the spring of 2021, this work will be re-bid in early 2021. In addition to the contract amount, CR Water requests authorization of a 3% contingency in the amount of \$116,769 for a total authorization request of \$4,009,081. The approved 2020 budget for this project is \$4,048,808.

Construction is expected to be completed by the end of 2020. This project has been coordinated

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with town-wide facilities space planning and is part of the overall site development planned for the Castle Rock Water Campus. The total cost of this project, including design work completed in 2018 and 2019, plus this construction contract, is approximately \$4,393,000. Overall, this equates to a unit project cost of \$338 per square foot, which is a reasonable cost for a project of this nature.

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

On April 2, 2019, Town Council approved a resolution approving a services agreement with HB&A Inc. in the amount of \$251,057 plus a Town-managed contingency of \$12,553 for design of this project.

Construction bids were present to the Water Commission on February 26, 2020. The Commission unanimously recommended that this project be approved by Town Council and awarded to one of the two low bidders as recommended by staff.

Discussion

Castle Rock Water was created as a separate department from Public Works in 2002 and purchased the property at 175 Kellogg Court in August 2002 to establish a headquarters and home for this new department. The 9.8-acre property was formerly used as a lumber yard and included a showroom building and a metal warehouse for storing lumber. These buildings were constructed in 1998/99. The existing showroom building was modified in 2002/2003 to accommodate Customer Service and Administrative staff, and several modular buildings were installed to temporarily accommodate Operations and Engineering staff. Since 2002, the department has grown from 44 full time equivalents (FTEs) to a current staff of 96 FTEs, and with continued growth in the Town, it is expected that the Department eventually will employ approximately 110 to 120 FTEs.

A facilities site assessment was conducted in early 2013 to evaluate options to accommodate existing staff as well as plan for future staff. The conclusion and recommendation of that assessment pointed toward developing the Kellogg property as the permanent home for Castle Rock Water. In addition, space deficiencies were identified for each division within the department. The Operations and Maintenance division had the largest space deficiency and, subsequently, the Operations and Maintenance Building was designed in 2014 and built in 2015. This 20,000 square foot facility is sized to accommodate 44 personnel and includes two service bays, an employee break room, one small conference room and a meeting room sized to accommodate 120 people.

The Administration and Customer Service Division has the next largest space deficiency and a new building has been planned to provide adequate space such that all staff can be housed in permanent buildings. The facilities site assessment completed in 2013 recommended the following:

- Build a new, more inviting and accessible Administration and Customer Service building

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north of the existing Administration facility or as an addition to the facility with ground level access for visitors.

- Move the Engineering, Water Resources and Stormwater Divisions into the existing Administration facility and remove all the modular buildings.
- Make appropriate site improvements to accommodate customer access and parking, and employee parking.

In 2019, Castle Rock Water retained HB&A to develop construction documents for a new Administration and Customer Service Building. The result of that work yielded bid documents consisting of drawings and specifications. Using these bid documents, a competitive bidding process was used to obtain bids from qualified general contractors. Base bids ranged from \$3,719,000 to \$4,537,025. All bids met the contract requirements. In addition to the base bid, 3 bid alternates were evaluated that include: 1) removal and disposition of three existing office trailers; 2) a roof-mounted photovoltaic solar array for renewable energy generation; and 3) landscaping and irrigation. Calahan Construction Services and Iron Mike Construction, LLC submitted the two lowest base bids, \$3,719,000 and \$3,767,964, respectively, while Iron Mike Construction had the lowest total bid at \$3,999,903. The CR Water team then interviewed these two firms to get to know each team and discuss each contractor's approach to the project, construction costs and project schedule. Based on the bid proposals and the face-to-face interviews, it was apparent that Iron Mike Construction has a well-defined project approach. Their qualified team of professionals presented a sound approach, and staff is confident in their abilities to deliver a successful project.

One item in particular that distinguished Iron Mike Construction (IMC) from their competitors is their recommendation to remove/relocate two of the three office trailers early on in the project rather than wait until near the end. This approach will ensure timely construction of weather-dependent items (namely paving) that will allow completion of the project by end of year 2020 rather than chance it on when winter weather might impact the project. IMC is a Denver-based, service-disabled veteran-owned small business with experience in delivering projects to a variety of clients, including municipal, state and federal governments. Their qualifications include successfully completing similar projects along the Front Range.

Funding for this project was included in the 2020 budget line item "Admin/Cust Svc Building" and split proportionally among CR Water's four enterprise funds. Construction is expected to begin in early April and be completed by the end of 2020. This project has been coordinated with town-wide facility space planning.

Budget Impact

Funding for this project was budgeted in the 2020 budget and split among the four enterprise funds as detailed below.

Project	Account Number	2020 Budget Amount	This Contract	Contingency	Remaining Balance
Admin/Cust. Svc Building	210-4275-442.77-57	\$1,741,344	\$1,674,037	\$50,221	\$17,086

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	211-4375-443.77-57	\$779,017	\$748,906	\$22,467	\$7,644
	212-4475-444.77-57	\$798,594	\$767,726	\$23,032	\$7,836
	213-4577-445.77-57	\$729,853	\$701,642	\$21,049	\$7,161
Totals		\$4,048,808	\$3,892,312	\$116,769	\$39,727

Staff Recommendation

Staff recommends approval of the agreement between the Town of Castle Rock and Iron Mike Construction, LLC in the amount of \$3,892,312 plus a Town-managed contingency of \$116,769 for a total cost not to exceed \$4,009,081 for construction of Castle Rock Water's Administration and Customer Service Building.

Proposed Motion

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

Attachments

Attachment A: Resolution
Exhibit 1: Contract
Attachment B: Overall Site Plan, Floor Plan and Architectural Renderings