



# TOWN OF ERIE

645 Holbrook Street  
Erie, CO 80516

## Town Council

**Board Meeting Date: 4/13/2021**

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**File #:** 21-104, **Version:** 1

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**SUBJECT: Consent**

A Resolution of the Board of Trustees of the Town of Erie Approving the First Amendment to the Construction Manager At-Risk (CMAR) Contract with Ellingson-DTD for the Design and Installation of a Horizontal, Directionally Drilled, Municipal Water Well

**DEPARTMENT:** Public Works

**PRESENTER:** Todd Fessenden, Public Works Director  
David Pasic, Town Engineer

**FISCAL SUMMARY:**

Cost as Recommended: \$1,077,765  
Balance Available (2021 funds): \$4,033,800  
Fund: Water  
FundBudget Line Item Number: 500-70-110-605000-100333  
New Appropriation Required: No

**STAFF RECOMMENDATION:**

**Approve the Resolution to amend said agreement, authorizing the appropriate Town officer to execute said agreement and authorize staff to expend budgeted funds.**

**SUMMARY AND BACKGROUND OF SUBJECT MATTER:**

Since 2018, the Town has worked closely with Paul Zilis, Town Water Counsel and Leonard Rice Engineers (LRE) to assist with the exploration and development of a water well-field near the North Water Reclamation Facility (NWRP). This well field could provide critical local and redundant source water supply to the Town at a fraction of the cost of obtaining water through more traditional methods such as ditch company rights, buying up senior water rights (agricultural) or Colorado Big-Thompson (CB-T) Project units. In 2020, in order to move the project forward the Board authorized the following:

- A. At the July 28, 2020 Board Meeting, the Board Authorized the Award of a Professional Services Agreement with LRE for the well-field and conveyance design and construction support. Staff determined, in the best interest of the Town to bring in a contractor early, under a CMAR contract to work closely with LRE to design and construct a Horizontal Directionally Drilled (HDD) pilot well.

- B. On October 21, 2020, staff engaged Ellingson-DTD (Ellingson) as the CMAR to work with LRE during the design phase for the first pilot HDD municipal water well to be located adjacent and west of the NWRP. The CMAR is brought in to provide input to ensure efficiencies in design and constructability, costing at various stages of design and ultimately provide a guaranteed-maximum-price. The resultant Guaranteed Maximum Price (GMP) represents the maximum price the Town will pay for the project (absent change orders approved by the Town).

Ellingson has worked well with LRE on well design, constructability and optimizing construction costs. The final design and construction documents for the HDD well have been completed by LRE for Phase I construction which will include: well drilling, installation of borehole casing, well screens and testing. The testing data will assist in establishing the potential pilot well yield and be used in planning the ultimate well field buildout.

In accordance with the CMAR contract, Ellingson submitted a GMP proposal dated April 5, 2021 in the amount of \$1,077,765 for Phase I well construction which includes \$238,602 or 22% of total cost, for contractor contingency items that may occur performing HDD well construction.

The Phase I construction schedule is as follows:

<u>Schedule Milestone</u>	<u>Completion</u>
Award Construction Contract	April 13, 2021
Notice to Proceed	April 26, 2021
Construction Completed	August 31, 2021

A review committee evaluated the qualifications and quality of the GMP proposal. Ellingson provided a detailed approach for well construction, plans to self-perform 90 percent of the work and has specialized experience in horizontal well drilling for the last 27 years. Ellingson staff is well-qualified with experience installing public water supply wells, industrial water supply wells, and environmental dewatering wells throughout the United States. LRE was tasked with evaluating the GMP proposal and determined that it was responsive, consistent with the final plans and specifications, and reasonable for this type of work. Overall the GMP proposal is thorough, responsive, and cost effective.

Due to Ellingson's intimate knowledge of the project and significant expertise in what is a specialized HDD well industry, staff believes it is in the best interest of the Town to retain Ellingson as the CMAR for Phase I construction. Well drilling is part art, part science as it is very difficult to fully understand what is underground near waterways. As such, Ellingson requested certain risk-sharing terms, which our engineer and special counsel, Kyle Kreischer, found reasonable with certain caveats.

Staff anticipates that contractor contingency items are necessary for HDD well construction to provide for anticipated items such as: drilling rig standby time, potholing of utilities, replacement

borehole drilling, and remediation of drilling fluid loss.

Staff recommends authorizing the First Amendment to the CMAR Contract for Phase I HDD well construction for the GMP of \$1,077,765.

**Fiscal Impact:**

The 2021 Water Fund Budget has \$4,033,800 appropriated for Phase I construction of the project. The expenditures are summarized as follows:

**Ellingson-DTD**

Preconstruction Phase Services (P20-280)	\$ 25,000
Amendment 1	\$ <u>1,077,765</u>
<b>Total Cost for CMAR</b>	<b>\$ 1,102,765</b>

Phase II of the project is scheduled to begin in late 2021 which will include final design and installation of the permanent well pumping equipment, well testing, electric power and communication equipment; conveyance pipeline construction, and necessary modifications to existing wet well facilities. Additional expenses for design and construction will come before the Board separately in late 2021 which may include:

1. Additional funding if needed for Phase II design and construction
2. Authorize Construction Contract for Phase II

**Board Priority(s) Addressed:**

- ✓ Prosperous Economy
- ✓ Safe and Healthy Community
- ✓ Environmentally Sustainable
- ✓ Fiscally Responsible

**ATTACHMENTS:**

1. Resolution 21-036
2. First Amendment to CMAR Contract
3. Vicinity Map
4. Ellingson GMP Proposal