



MEMORANDUM

P.O. BOX 4100 ♦ FRISCO, COLORADO 80443

TO: MAYOR AND TOWN COUNCIL
FROM: JEFF GOBLE, PUBLIC WORKS DIRECTOR / WATER SUPERINTENDENT
RE: RESOLUTION 21-19 AWARD OF CONTRACT TO VELOCITY CONSTRUCTORS FOR THE CONSTRUCTION OF THE CORROSION CONTROL PROJECT
DATE: JULY 27, 2021

Summary and Background:

Over the past several lead & copper testing cycles the Town's water system has exceeded the Action Level for lead. This lead is not coming from the source water but rather from lead leaching into the water as it sits in the copper pipes of individual housing units. This exceedance has prompted the Colorado Dept. of Health & Environment (CDPH&E) to issue a Notice to Correct to the Town which requires us install corrosion control treatment. This project must begin before the State imposed deadline of August 21, 2021.

Analysis:

Once the Notice to Correct was received, the Town engaged Plummer Engineering to study the issue and determine the optimal corrosion control treatment process based on our water chemistry. The optimal treatment process has been identified as pH adjustment using sodium hydroxide. Plummer then designed the system for each of our water sources and the system has since been approved by CDPH&E. Once the system was approved we went out to bid for the installation of the system. We received only one bid and that was from Velocity Constructors. You may remember them from the construction of Well #7 out at the PRA. Velocity's bid came in at \$436,235.00 which is \$36,235.00 over what we had budgeted for. This is no surprise as the cost of many building materials has recently increased anywhere from 100-300% depending on type of material.

Financial Impact:

This project will be an expense from the Water Enterprise Capital Fund (40-4000-4444). As stated above the original budget amount was \$400,000. Staff is requesting that this amount be increased to \$450,000 to cover the cost of this contract as well as any unforeseen expenses or increases in material costs. The additional \$50,000 will not change the total expense in the Water Capital Fund as other projects are coming in well under the their budgeted amount.

Alignment with Strategic Plan:

This project aligns with the Quality Core Services of the Startegic Plan by assisting us in continuing to provide the highest quality drinking water possible to the citizens, businesses and visitors of the Town of Frisco.

Staff Recommendation:

Based on the information contained in this report, it is recommended the Town Council approve Resolution 21-19 to award the contract to Velocity Constructors in the amount not to exceed \$436,325. Staff further recommends that Council adds an additional \$50,000 to the Corrosion Control line item in the Water Capital Fund to cover the cost of the contract and any unforeseen expenses or increases in material costs.

Reviews and Approvals: This report has been reviewed and approved by:

Bonnie Moinet, Finance Director
Diane McBride, Acting Town Manager