



To: The Hinesburg Selectboard
From: Rocky Martin, Erik Bailey, Renae Marshall, and Trevor Lashua
Date: December 3, 2015
Re: Water Treatment Facility (WTF) project construction bid award

All three bids received on November 12, 2015 for the WTF project were significantly greater than the engineer's estimate. Since then, the Town has worked with project engineers at Aldrich and Elliot and with Naylor and Breen, the low bidder, to reduce the scope of the project to fit within the \$1.75 million revised project budget. Approximately \$185,600 in reductions to the scope were identified to bring the Construction and Implementation Phase of this project to \$1,751,000 – or \$1,000 more than the target. This does not include some costs for this phase of the project already paid for in FY15, adding another \$38,000 to the total cost for this phase when prior costs are included.

The additional \$1,000 will be covered by water reserves if needed (which also covered the \$38,000 in prior costs), and not added to the SRF loan. Please also see the attached Total Project Cost spreadsheet. With the Board's concurrence, the loan amount would be approximately \$1,364,000 of the \$1.5 million approved by voters in November 2014. The impact to ratepayers would be the same or slightly less. The current total project cost includes \$48,000 as a contingency and \$15,000 for other miscellaneous costs; those amounts may be reduced accordingly if not needed.

Here is a short list of what has been changed: the building has been reduced 476 square feet (now 34' by 40'); office, staff breakroom, and storage areas have been eliminated; woodframe construction with authentic Vermont board and batten siding completed by W&WW staff (and perhaps one soon to be retired staffer) replaces the metal structure; several windows and doors have been eliminated; reductions in electrical and plumbing; wall-hung unit heaters and no central air conditioning in lieu of the more extensive HVAC systems proposed; concrete sidewalks eliminated; size of the parking turnaround is reduced; and one finish water tank was eliminated (requiring different chemical dosing pumps).

Naylor and Breen plan to start immediately on this project and figure it will take six months. Substantial completion should be about a month prior to end of construction, meaning that water from the new system would be pumping into the distribution system by May or June of next year (instead of October).

The recommendation is to award the bid for construction of the WTF project to Naylor and Breen. This would avoid extra engineering costs to re-bid the project without any guarantee of better pricing. State SRF funding folks recommended that the Town award the bid at Naylor and Breen's base bid price of \$1,026,275, followed by authorization to issue a change order reducing the scope of the project by the approximately \$186,000 in reductions identified. In the motion, include consider including authorization for the Town Administrator to sign all necessary contract and funding documents.