



**WESTMINSTER
COLORADO**

**JULY 12, 1999
8:00 P.M.**

AGENDA

NOTICE TO READERS: City Council meeting packets are prepared several days prior to the meetings. Timely action and short discussion on agenda items is reflective of Council's prior review of each issue with time, thought and analysis given.

Members of the audience are invited to speak at the Council meeting. Citizen Communication (item 5) and Citizen Presentations (item 12) are reserved for comments on items not contained on the printed agenda.

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Consideration of Minutes of Preceding Meetings**
- 4. Presentations**
 - A. Proclamation to Jon Chandler in recognition of Spur Award
- 5. Citizen Communication (5 minutes or Less in Length)**
- 6. Report of City Officials**
 - A. City Manager's Report
- 7. City Council Comments**

The "Consent Agenda" is a group of routine matters to be acted on with a single motion and vote. The Mayor will ask if any citizen wishes to have an item discussed. Citizens then may request that the subject item be removed from the Consent Agenda for discussion separately.

- 8. Consent Agenda**
 - A. Amherst 3.3 acre Neighborhood Park Construction Contract with Arrow J for \$465,797, located at 13085 Pecos Street
 - B. Bid Award re Design Services for Sewer Lines Under US 36 and Wadsworth Parkway for S.A. Miro for \$79,000
 - C. Bids re Engineering Design for Municipal Service Center Gasoline Recovery System to Dames and Moore for \$33,436
 - D. Project Management of Municipal Service Center Gasoline Recovery System to CH2M Hill for \$170,000
 - E. Heritage Golf Course Clubhouse Kitchen Equipment to Nobel Sysco for \$67,250; and Diamato & Associates for \$32,875
 - F. Ambulance Billing Contract with Health Care Professional Services
 - G. Councillor's Bill No. 33 on second reading annexing Foster Property, located at NEC of 136th Avenue & Huron Street (Atchison-Merkel)
 - H. Councillor's Bill No. 34 on second reading amending the Westminster Comprehensive Land Use Plan to include the Foster Property as Retail Commercial (Atchison-Merkel)
 - I. Councillor's Bill No. 35 on second reading Supplemental Appropriation of \$187,250 for Senior Center Parking Lot (Merkel-Allen)
 - J. Councillor's Bill No. 36 on second reading zoning Foster Property located at NEC of 136th Avenue & Huron Street (Atchison-Merkel)

9. Appointments and Resignations

None

10. Public Hearings and Other New Business

- A. Public Hearing re 2000 Budget to receive citizen input
- B. Councillor's Bill No. 37 re Amended Lucent Technology Assistance Package changing construction completion date to December 31, 2001
- C. Resolution No. 46 re Temporary Storage at Rocky Flats Environmental Technology Site recommending DOE pursue a combination of alternatives for temporary transuranic waste storage
- D. Councillor's Bill No. 38 re Standley Lake Regional Park appropriating \$125,000 for interpretive/environmental education center
- E. Resolution No. 47 authorizing contract with Great Outdoors Colorado re Standley lake Regional Park development
- F. Councillor's Bill No. 39 appropriating \$650,000 for Northwest Area Recreation Center Construction
- G. Northwest Area Recreation Center Construction amending contract with JHL Constructors; change order with BBB Architects; and contract with Public Service Company
- H. Resolution No. 48 re Westcliff Parkway Authorizing Right of way acquisition
- I. Legal Services Contract with Gorsuch Kirgis for acquisition of St. Antonio parcel for Plaza

11. Business and Passage of Ordinances on Second Reading

None

12. Citizen Presentations (5 Minutes + in Length) & Miscellaneous Business

- A. City Council
- B. Request for Executive Session
 - 1. Proposed Settlement Agreement
 - 2. Kings Mill Head Start Project Real Estate Negotiations
 - 3. Broomfield Jail Update

13 Adjournment

NON-LAND USE PUBLIC HEARINGS.

THE FOLLOWING RULES SHALL APPLY:

Persons wishing to speak may do so whether in favor or opposed. No specified order of those in favor or in opposition will be used.

The presiding officer shall conduct the hearing in such manner as to provide for freedom of speech and expression of opinion of all persons speaking, subject only to the limits of courtesy and respect to other persons and their opinion as long as the subject is related to the public hearing notwithstanding the presiding officer has the authority to limit debate to a reasonable length of time to be equal for both positions.

Any person speaking may be questioned by members of Council or by the City Administration.

The presiding officer shall rule upon all disputed matters of procedure, unless, on motion duly made, he is overruled by a majority vote of Council members present.

CITY OF WESTMINSTER, COLORADO
MINUTES OF THE CITY COUNCIL MEETING
HELD ON MONDAY, JULY 12, 1999 AT 8:00 P.M.

PLEDGE OF ALLEGIANCE:

Mayor Heil led Council, Staff and the audience in the Pledge of Allegiance.

ROLL CALL:

Present at roll call were Mayor Heil, Mayor Pro Tem Merkel and Councillors Allen, Atchison, Hicks and Smith. Also present were Alan Miller, Assistant City Manager; Martin McCullough, City Attorney; and Michele Kelley, City Clerk. Absent was Councillor Dixon.

CONSIDERATION OF MINUTES:

A motion was made by Allen and seconded by Atchison to accept the minutes of the meeting of June 28, 1999 with no additions or corrections. The motion carried unanimously.

PRESENTATIONS:

Mayor Heil presented a proclamation to Jon Chandler in recognition of his winning the prestigious 1999 Spur Award from the Western Writers of America for his first novel "Spanish Peaks".

CITIZEN COMMUNICATION:

Suzie Johnston, 7320 Kendall Street, and six other area residents addressed Council with concerns about speeding traffic along 73rd Avenue and suggested speed bumps be installed on 73rd Avenue. Martin Green, 6311 West 73rd Avenue, submitted a petition with 41 signatures concerning the traffic problems along 73rd Avenue.

CONSENT AGENDA:

The following items were considered as part of the Consent Agenda: Amherst Park Construction Contract – Authorize the City Manager to execute a contract with Arrow J Landscaping in the amount of \$465,797 with a 7% construction contingency, in the amount of \$32,605; authorize the total project amount of \$498,402 and charge the expense to the appropriate project account in the 1999 General Capital Improvement Project Fund; Design Services for Sewer Lines under US 36 and Wadsworth Parkway – Authorize the City Manager to sign a contract with S. A. Miro, Inc. in the amount of \$79,000 and authorize an additional \$11,000 for contingency for the design of the sewer lines under US 36 and under Wadsworth Parkway. Charge the costs associated with this work to the appropriate capital project account in the Utility Fund; Design Bids for Municipal Service Center Gasoline Recovery System – Authorize the City Manager to execute a contract with Dames and Moore to design the improvements to the Gasoline Recovery System at the Municipal Service Center; and authorize a budget of \$33,436 for the project design and \$8,359 for a 25% contingency, with the expenses to be charged to the appropriate project account in the General Fund and Water and Wastewater Fund Capital Improvements budgets; Project Management of Municipal Service Center Gasoline Recovery System – Authorize the City Manager to execute a contract with CH2M Hill, Inc. in the amount of \$170,000 to provide project management for the design, construction, and operations and maintenance of the improvements to the Gasoline Recovery System at the Municipal Service Center; and authorize a budget of \$170,000 for the project management and \$17,000 for a contingency, with the expenses to be charged to the appropriate project account in the General Fund and Water and Wastewater Fund Capital Improvement Project Budget; Heritage Golf Course Clubhouse Kitchen Equipment – Award the Heritage Clubhouse kitchen and bar equipment to the following vendors: Noble Sysco for \$67,250 and K.Diamato & Associates for \$32,875 for a total purchase price of \$100,125 and charge the expense to the appropriate capital construction project account for the Heritage at Westmoor Golf Course; Ambulance Billing Contract – Authorize the City Manager to sign a contract for a six-month period with Health Care Professional Services for a fee of 5% of monthly collections that occur after July 1, 1999 and charge it to the appropriate contractual account in the Fire Department's Operating Budget; Councillor's Bill

No. 33 – Foster Property Annexation; Councillor's Bill No. 34 – Comprehensive Land Use Plan Amendment for the Foster Property; Councillor's Bill No. 35 – Supplemental Appropriation for Senior Center Parking Lot; and Councillor's Bill No. 36 – Foster Property Zoning.

The Mayor asked if there was any member of Council or anyone from the audience who would like to have any of the consent agenda items removed for discussion purposes or separate vote.

Phil Seibert, Lexington Home Owners representative, requested items 8G, Foster Property Annexation, 8H, Land Use Plan amendment for Foster Property, and 8J, Foster Property Zoning, be removed from the Consent Agenda.

A motion was made by Atchison and seconded by Merkel to adopt the remaining Consent Agenda items as presented. The motion carried with 5 aye votes and Councillor Hicks voting nay.

FOSTER PROPERTY ANNEXATION/LAND USE PLAN AMENDMENT/FOSTER PROPERTY ZONING:

Phil Seibert, Lexington Home Owners representative, requested items 8G, Foster Property Annexation, 8H, Land Use Plan amendment for Foster Property, and 8J, Foster Property Zoning, be tabled for 30 days. Mr. Ed Sutton, 25857 Silverthorn Lane, developer of the property, addressed Council stating that August 9th would be an acceptable date to delay action on this item and he was willing to meet with the home owners before that date to discuss this annexation and zoning.

A motion was made by Merkel and seconded by Allen to Table Councillor's Bill No. 33, Foster Property Annexation; Councillor's Bill No. 34, Comprehensive Land Use Plan Amendment; and Councillor's Bill No. 36, Foster Property Zoning until August 9, 1999. The motion carried unanimously.

A motion was made by Merkel and seconded by Smith to set the date of August 9, 1999 to reopen the public hearing on the Foster Property Annexation and Zoning. The motion carried unanimously.

FIRST PUBLIC HEARING ON 2000 CITY BUDGET:

At 8:40 P.M. the meeting was opened to a public hearing on the 2000 City Budget. Chuc Duff, 8000 Bradburn Blvd. Chairperson, and Don Waddell, 11243 Wyandot St. of the Visual Arts Committee of Community Sculpture requested \$40,000 funding from the City for a sculpture for Fireman's Park at Fire Station #1. Susan Kemp, 14537 Jason Dr. requested consideration of a park master plan for the designated park in Cheyenne Ridge. She also stated that residents within this community were willing to assist the City in any way they could to help this project get started. At 9:02 P.M. the public hearing on the 2000 City Budget was declared closed.

COUNCILLOR'S BILL NO. 37 – AMENDED LUCENT TECHNOLOGY ASSISTANCE PACKAGE:

A motion was made by Smith and seconded by Hicks to pass Councillor's Bill No. 37 on first reading amending the construction completion date in the Lucent Technologies Business Assistance Package from August 1, 2001 to December 31, 2001. Upon roll call vote, the motion carried unanimously.

RESOLUTION NO. 46 – TEMPORARY STORAGE AT ROCKY FLATS SITE:

A motion was made by Atchison and seconded by Allen to adopt Resolution No. 46 which recommends that the Department of Energy pursue a combination of alternatives for temporary transuranic waste storage at the Rocky Flats Environmental Technology Site. Upon roll call vote, the motion carried unanimously. and authorize the use of these funds for construction of the Northwest Area Recreation Center. Upon roll call vote, the motion carried unanimously.

COUNCILLOR'S BILL NO. 39 – NORTHWEST AREA RECREATION CENTER APPROPRIATION:

A motion was made by Merkel and seconded by Atchison to pass Councillor's Bill No. 39 on first reading appropriating \$650,000 into the General Capital Improvement Fund, increasing the project budget by \$650,000 and authorize the use of these funds for construction of the Northwest Area Recreation Center. Upon roll call vote, the motion carried unanimously.

STANDLEY LAKE REGIONAL PARK DEVELOPMENT:

A motion was made by Atchison and seconded by Allen to pass Councillor's Bill No. 38 on first reading appropriating \$125,000 into the General Capital Improvement Fund for construction of Standley Lake Regional Park interpretive/environmental education center; and to adopt Resolution No. 47 authorizing the City Manager to sign a contract with GOCO authorizing the City's financial obligation of matching funds for Standley Lake Regional Park development. Upon roll call vote, the motion carried unanimously.

NORTHWEST AREA RECREATION CENTER CONSTRUCTION:

A motion was made by Merkel and seconded by Allen to authorize the City Manager to amend the contract with JHL Constructors, Inc. in the amount of \$4,516, 632 as the Guaranteed Maximum Price (GMP) for construction phase of the Northwest Area Recreation Center; authorize the City Manager to execute a change order with BBB Architect for \$40,000 to provide construction testing and special inspections for the project; authorize a contract with Public Service Company in the amount of \$60,000 for exterior lighting at the Northwest Area Recreation Center; and authorize a 7.0% construction contingency in the amount of \$295,368 for the project and charge all expenses for this project to the appropriate project account in the General Capital Improvement Fund. The motion carried unanimously.

RESOLUTION NO. 48 – ROW ACQUISITIONS FOR WESTCLIFF PARKWAY/HARLAN STREET:

A motion was made by Allen and seconded by Merkel to adopt Resolution No. 48 authorizing City Staff to proceed with acquisition of sufficient rights-of-way and easements for the construction of the Westcliff Parkway connection to Harlan Street through proceedings of eminent domain, if necessary. Upon roll call vote, the motion carried unanimously.

LEGAL SERVICES FOR SANT' DI PADOVA SOCIETY PROPERTY ACQUISITION:

A motion was made by Atchison and seconded by Hicks to authorize the City Manager to execute a contract with the law firm of Gorsuch Kirgis LLC up to a limit of \$8,000 to provide legal services to the City of Westminster in connection with the valuation trial for the Sant' Antonio di Padova Society acquisition. The motion carried unanimously.

MISCELLANEOUS BUSINESS:

Mayor Heil stated there would be an Executive Session to consider a proposed Settlement Agreement, Kings Mill Head Start Project real estate negotiations, and an update on the Broomfield Jail.

ADJOURNMENT:

The meeting was adjourned at 9:10 P.M.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999
Subject: Proclamation re Jon Chandler
Prepared by: Michele Kelley, City Clerk

Introduction

City Council is requested to present the attached proclamation to Jon Chandler in recognition of his winning the prestigious 1999 Spur Award.

Summary

Jon Chandler, a Westminster resident, has recently been awarded the 1999 Spur Award for best first novel by the Western Writers of America Inc.

His novel titled "Spanish Peaks" is set in Colorado Territory at the end of the Civil War.

Mr. Chandler has indicated that he will be present at Monday night's Council meeting to accept this proclamation.

Staff Recommendation

Present proclamation to Jon Chandler in recognition of his winning the prestigious 1999 Spur Award from the Western Writers of America for his first novel "Spanish Peaks".

Background Information

In addition to his writing talents, Jon Chandler is a country/Americana singer - song writer and performer; and a marketing professional who does voice overs for companies such as Ford Trucks, Coors, and Natural Resources Conservation Service.

Other winners of the Spur award include Larry McMurtry for "Lonesome Dove"; Michael Blake for "Dances with Wolves"; and Glendon Swarthout for "The Shootist".

Respectfully submitted,

William M. Christopher
City Manager

Attachment

WHEREAS, Jon Chandler has recently won the prestigious Spur Award from the Western Writers of America for his first novel entitled "Spanish Peaks"; and

WHEREAS, Jon Chandler is also a songwriter and performer having released several Americana-oriented products, including a compact disk called "Keepers of the Flame", which has won nine awards; and

WHEREAS, Jon Chandler has a new compact disk entitled "Westerns" and featuring the theme song "The Spanish Peaks", has recently been released for distribution; and

WHEREAS, Jon Chandler has written Spanish Peaks as a historical western fiction, based on the events and lives of people in southern Colorado and northern New Mexico; and

WHEREAS, Jon Chandler's novel also includes cameo appearances by Chandler's ancestors and their friends who helped discover gold on the banks of the Cherry Creek River which led to the founding of Denver; and

WHEREAS, Jon Chandler's novel has been adapted into a screenplay by Paul Pape, and is being circulated at this time.

NOW, THEREFORE, I, Nancy M. Heil, Mayor of the City of Westminster, on behalf of the entire Westminster City Council and Staff, do hereby proclaim Tuesday, July 13, 1999 as

JON CHANDLER DAY

In the City of Westminster in recognition of his prestigious Spur Award from the Western Writers of America.

Signed this 12th day of July, 1999.

Nancy M. Heil, Mayor



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999
Subject: Amherst Park Construction Contract
Prepared By: Julie Meenan Eck, Landscape Architect

Introduction

City Council action is requested to authorize the City Manager to execute a contract with Arrow-J Landscape and Design, Inc., in the amount of \$465,797 and approve a 7% contingency in the amount of \$32,605, for the construction of Amherst Park. Funds are available in the Parks, Recreation and Libraries portion of the 1999 General Capital Improvement Fund for this project for the park work and in the Amherst School Waterline project account, for the grading, sidewalk and utility work for Pecos Street expansion. (see attached master plan)

Summary

Amherst Park is a 3.3-acre neighborhood park located at 13085 Pecos Street adjacent to Arapahoe Ridge Elementary School. The park is located at the terminus of the new Pecos Street road extension. Design Studios West was the design consultant hired by the City to develop the construction documents based on the City Council approved master plan developed by Staff. This May, the project was advertised and bid according to the City’s purchasing ordinances and procedures. Eleven contractors attended the mandatory pre-bid meeting and twelve copies of construction documents were sold to various contractors and suppliers. The following is a tabulation from the June 15th bid opening:

Arrow J	\$465,797
T2 Construction	\$533,706
RBI	\$544,764
KLI	\$644,962

The low bid by Arrow J is considered a good bid in comparison to the engineer’s cost estimate of \$493,873 for the project. Arrow J has performed work for Westminster in the past, most recently on Cotton Creek Park, and Staff believes that Arrow J is qualified.

Alternatives

City Council could reject the low bid from Arrow J and select the second lowest bidder, T2 Construction to perform the work. T2 Construction has previously experienced working with the City on the Entry Monuments and has proven to be a good contractor. However, the low bid from Arrow J has been determined to be a good bid and the evaluation of the company has been verified.

Amherst Park Construction Contract

Staff Recommendation

Authorize the City Manager to execute a contract with Arrow J in the amount of \$465,797 with a 7% construction contingency, in the amount of \$32,605; authorize the total project amount of \$498,402 and charge the expense to the appropriate project account in the 1999 General Capital Improvement Project Fund.

Background Information

In August of 1998, Staff began the master planning process for Amherst Neighborhood Park, located south of Arapahoe Ridge Elementary School at 13085 Pecos Street based on a design and construction budget of \$465,000. Staff worked with an Arapahoe Ridge Elementary School fifth grade class, as well as the citizens from the North Area COG group, to design the master plan adopted by City Council on February 8, 1999. The master plan shows a direct access into the school's main entrance. The parking lot between the school and park will be shared. The picnic pavilion is centrally located between the play area for toddlers, primary users, and swings, with the restrooms in close proximity. There is a butterfly garden desired by area students with a small area to sit, and a basketball court. There will be an open play field that can be used for any number of lawn games, including soccer practice.

The master planning, design, and construction project budget for Amherst Park is \$465,000. Staff hired Design Studios West to work on the construction documents through a competitive bid process. Additional funds were made available from Community Development's Amherst Waterline account to cover the expense of the Pecos Street expansion including the grading and utility work, and water tap for this portion of the project. These additional funds, plus the original funds are detailed in the following project budget summary.

CIP Budget Summary

1998 Amherst Park CIP	\$115,000
1999 Amherst Park CIP	\$350,000
1999 Amherst Waterline CIP	<u>\$ 97,500</u>
Total	\$562,500

Project Budget Summary

Master Plan/Design	\$ 25,048
Water Tap	\$ 35,550
Construction	\$465,797
Contingency	\$ 32,605
Testing	\$ 1,000
Public Service	<u>\$ 2,500</u>
Total	\$562,500

Respectfully submitted,

William M. Christopher
City Manager

Attachment: Master Plan



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999
Subject: Design Services for Sewer Lines under US 36 and Wadsworth Parkway
Prepared by: Diane Phillips, Capital Improvement Projects Coordinator

Introduction

City Council action is requested to authorize the City Manager to sign a contract with S. A. Miro, Inc. in the amount of \$79,000 with a contingency of \$11,000 for the design of the sewer lines under highways US 36 and Wadsworth Parkway. Funds are available in the Utilities Capital Improvements Project Budget for this expense.

Summary

The U.S. 36 crossing will be installed to relieve surcharging in the sewers in this area during high flow conditions and to provide capacity for future development. The sewer line under Wadsworth Parkway will be installed to relieve backups and to address structural stability problems.

The following firms proposed to design these two portions of sewer line for the listed costs.

S.A. Miro, Inc.	\$ 79,000
Milestone Engineering, LLC	\$ 98,565
Brown and Caldwell	\$109,000

S.A. Miro, Inc. is a qualified and capable engineering design firm providing the lowest fee for the design of this project. They prepared a solid project presentation and approach and submitted a highly qualified team.

Alternatives

As an alternative, the project could be delayed at this time. This could impact the reliability of capacity in both sewer lines as development continues. In addition, future construction costs will likely increase, making future needed improvements more expensive.

Staff Recommendation

Authorize the City Manager to sign a contract with S. A. Miro, Inc. in the amount of \$79,000 and authorize an additional \$11,000 for contingency for the design of the sewer lines under US 36 and under Wadsworth Parkway. Charge the costs associated with this work to the appropriate capital project account in the Utility Fund.

Background

The portion of the City's sanitary sewer collection system within the Little Dry Creek Basin on the north side of U.S. 36 highway drains in a single crossing under the highway. The 1998 Master Plan identified the existing 15-inch sewer line as being too small to meet maximum flow requirements at build-out. City Staff has observed surcharging in the sewers in this area during high flow conditions. Therefore, a parallel 21-inch line needs to be installed under US 36 to provide capacity for current high flow and additional future flow from development.

Also included in this project is the installation of a parallel 10-inch sewer line under Wadsworth Parkway at approximately 93rd Avenue. This crossing is needed to relieve sewer backups and to address structural stability problems that are occurring with the existing 10-inch line under Wadsworth Parkway.

Respectfully submitted,

William M. Christopher
City Manager

Attachments



**WESTMINSTER
COLORADO**

Agenda Memorandum

Date: July 12, 1999

Subject: Bids re Engineering Design for the Municipal Service Center Gasoline Recovery System

Prepared by: Robert L. Booze, Utilities Services Supervisor
Tom Simpkin, CH2M Hill

Introduction

City Council action is requested to award a contract to Dames and Moore for the purpose of preparing a design for the improvements to the Gasoline Recovery System at the Municipal Service Center; authorize the City Manager to execute a contract between the City of Westminster and Dames and Moore; and authorize a budget of \$33,436 for the project design and \$8,359 for a 25% contingency. Funds are available for these services in the 1999 General Fund and Water and Wastewater Fund, Capital Improvements Budgets.

Summary

Staff advertised the gasoline recovery system project in the Denver construction publication, *The Daily Journal*. The advertisement was for engineering design firms to submit Statements of Interest for the project along with a Statement of Qualifications for their company. Thirteen proposals were submitted for consideration. Staff evaluated the proposals with CH2M Hill's assistance and determined that all firms were capable of performing the work so Request for Proposals were sent to all 13 firms along with 2 additional that CH2M Hill requested. Seven Request for Proposals were received. The following are the cost estimates presented by the seven consultants:

LT Environmental, Inc.	\$24,641
Dames and Moore	\$33,436
EnecoTech	\$36,104
EarthTech	\$38,800
Delta	\$40,245
HIS Geotrans	\$90,972
Walsh	\$196,835
Engineers Estimate	\$66,660

CH2M Hill along with an internal review team made up of Rachel Harlow-Schalk, Environmental Compliance Analysis; Diane Phillips, Public Works and Utilities Capital Projects Coordinator; Dave Downing, City Engineer; and Robert Booze, Utilities Services Supervisor read and evaluated the proposals. A detailed review of LT Environmental's cost estimate suggests that they did not adequately scope the project and may not thoroughly understand the project due to a low estimation of staff man-hours for key design review. Their experience with dual phase extraction remediation systems is also somewhat limited and this remediation technology is the cities recommended technology. Dames and Moore has extensive experience with dual phase extraction and appears to understand the scope. Dames and Moore was more in line with the man-hours submitted by the other engineering firms which indicates they had the same project understanding. Consequently, Staff believes it is in the City's best interest to contract with the second low bidder, Dames and Moore.

Staff Recommendation

Authorize the City Manager to execute a contract with Dames and Moore to design the improvements to the Gasoline Recovery System at the Municipal Service Center; and authorize a budget of \$33,436 for the project design and \$8,359 for a 25% contingency, with the expenses to be charged to the appropriate project account in the General Fund and Water and Wastewater Fund Capital Improvements budgets.

Background Information

On May 23, 1986, gasoline contamination was detected in ground water during a geotechnical evaluation at the Municipal Service Center. In June 1986, temporary collection wells were installed. In November 1986, a Gasoline Recovery System was constructed and, in December, gasoline recovery became a 24-hour operation.

The operation of the Municipal Service Center Gasoline Recovery System has evolved through several engineering firms; i.e., Chen Northern, Inc., Terracon, and, presently, Delta Environmental Consultants, Inc. In April of 1997, Delta was selected to assist the City when the Interceptor Trench Sump Well collapsed, which halted the collection and pumping of the contaminated ground water from the gasoline recovery system. Delta re-drilled the well and has spent considerable man-hours maintaining the current treatment equipment to restore the discharge quality within State limits. The current gasoline recovery system is working, but the total Facility cleanup would take a lengthy period of time.

On October 27, 1997, City Council approved the Department of Public Works and Utilities' recommendation to accelerate the schedule for the recovery of gasoline at the Municipal Service Center. As part of this accelerated schedule, Delta Environmental Consultants, Inc. was hired to perform a feasibility study on the Gasoline Recovery System that evaluated potential options to accelerate remediation of the Municipal Service Center gasoline product. As a result of this feasibility study, Delta found the most economic and fast paced remediation technology to be dual phased soil vapor extraction. The dual phase soil vapor extraction technology was included in the 1999 Capital Improvement Project budget. In January of 1999, the Department of Public Works & Utilities started the process of implementing an accelerated remediation system for the recovery of gasoline at the Municipal Service Center by soliciting Statements of Qualifications and Statements of Interests from firms to design, construct and operate the remediation system proposed in the feasibility study. Pertinent historical information, along with the results of the feasibility study and other field tests, will be documented in a corrective action plan to be submitted to the State to alter the cleanup plan once project design is completed for dual phase soil vapor extraction.

Alternative

One alternative considered was to award the bid to LT Engineering and hope they estimated sufficient staffing time to originate an adequate design and has sufficient experience with this remediation technology. Staff thought with this project being a total of 6 years long and the design being the most important phase, it was important to select a design firm that demonstrated excellent past experience. If the design is lacking the system will be an operating struggle for the life of the project. Dames and Moore had extensive experience with dual phase soil vapor extraction. Dames and Moores' evaluation score for the review team's top two scoring criteria items was 9 compared to LTE's 6. The top two scoring items were experience with dual phase soil vapor extraction systems and the proposed design team's experience.

Respectfully submitted,

William M. Christopher, City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Project Management of Municipal Service Center Gasoline Recovery System

Prepared by: Robert L. Booze, Utilities Services Supervisor

Introduction

City Council action is requested to award a contract to CH2M Hill, for the purpose of project management for the design, construction, and operations and maintenance of the improvements to the Gasoline Recovery System at the Municipal Service Center; authorize the City Manager to execute a contract between the City of Westminster and CH2M Hill; and, authorize a budget of \$170,000 for the project management work and \$17,000 for contingency. Funds are available for these services in the 1999 General Fund and Water and Wastewater Fund Capital Improvement Project Budget and the remaining funds are recommended in the 5-year CIP budget

Summary

On October 27, 1999, City Council approved the Department of Public Works and Utilities' recommendation to accelerate the schedule for the recovery of gasoline at the Municipal Service Center. As part of this accelerated schedule, Delta Environmental Consultants, Inc. was hired to perform a feasibility study on the Gasoline Recovery System that evaluated potential options to accelerate remediation of the Municipal Service Center gasoline product. As a result of this feasibility study, Delta found the most economic and fast paced remediation technology to be dual phased soil vapor extraction. CH2M Hill, a private engineering firm, was hired to review the feasibility study results and determine whether that remediation technology recommended by Delta would be successful based on site specific information at the Municipal Service Center. Based on the CH2M Hill's review of the feasibility study, dual phase soil vapor extraction was recommended and the Department of Public Works & Utilities commenced work on accelerating the schedule for the recovery of gasoline at the Municipal Service Center. Due to their expertise in the area of remedial technologies, their review of the feasibility study, and because CH2M Hill is not interested in the design, construction, or operations of the Gasoline Recovery System, the Department of Public Works & Utilities believes CH2M Hill to be the correct choice to manage this project. The \$170,000 is an estimated time and material contract and reflects a 6-year project. At this time, only a portion of the funding will be expended for CH2M Hill's work. The contract will be structured so it will automatically terminate when available funding is used.

Staff Recommendation

Authorize the City Manager to execute a contract with CH2M Hill, Inc. in the amount of \$170,000 to provide project management for the design, construction, and operations and maintenance of the improvements to the Gasoline Recovery System at the Municipal Service Center; and authorize a budget of \$170,000 for the project management and \$17,000 for a contingency, with the expenses to be charged to the appropriate project account in the General Fund and Water and Wastewater Fund Capital Improvement Project Budget.

Background Information

On May 23, 1986, gasoline contamination was detected in ground water during a geotechnical evaluation at the Municipal Service Center.

In June 1986, temporary collection wells were installed. In November, a Gasoline Recovery System was constructed and, in December, gasoline recovery became a 24-hour operation.

The operation of the Municipal Service Center Gasoline Recovery System has evolved through several engineering firms: Chen Northern, Inc.; Terracon; and presently, Delta Environmental Consultants, Inc. In April of 1997, the Interceptor Trench Sump Well collapsed, which halted the collection and pumping of the contaminated ground water from the gasoline recovery system. Public Works and Utilities Staff contacted Terracon and reported the malfunction. Terracon failed to respond to the emergency in a timely manner. Thereafter, two consulting firms, Applied EcoSystems and Delta were asked to submit proposals to bring the Gasoline Recovery System back into compliance. Delta's proposal was accepted.

Delta re-drilled the well and has spent considerable man-hours maintaining the current treatment equipment to restore the discharge quality within State limits. CH2M Hill reviewed and agreed with Delta's recommendation to the City for the installation of the dual phase vapor extraction remedial technology to replace the existing Gasoline Recovery System allowing for accelerated clean up of the Municipal Service Center. The dual phase soil vapor extraction technology was included in the 1999 Capital Improvement Project. Pertinent historical information, along with the results of the feasibility study and other field tests, will be documented in a corrective action plan to be submitted to the State to alter the cleanup plan once project design is completed for dual phase soil vapor extraction.

The current gasoline recovery system is working, but the total Facility cleanup would take a lengthy period of time to remediate if City Council had not agreed upon the accelerated clean up in October of 1997. Staff believes it is in the City's best interest to contract with CH2M Hill, given their remedial and site specific expertise, thus allowing clean up of the Municipal Service Center site to continue at a faster pace and minimizing the potential liability and ongoing long-term costs. CH2M Hill has a very good working relationship with the City and Department of Public Works and Utilities. CH2M Hill has worked with Staff on several past projects. A design proposal was not submitted by CH2M Hill due to the available staff in the Denver office currently committed to other projects. This project has been an extremely difficult project during its existence for 14 years so the selection of a qualified project manager is critical. CH2M Hill's peer review of the feasibility study indicated to Staff that the technical expertise is confirmed. Staff from Public Works and Utilities, Environmental Compliance, and the City Manager's Office, met with Tom Simpkin, CH2M Hill representative and evaluated the remediation project and CH2M Hill's project management philosophy. CH2M Hill's project management recommendations and action plan were discussed with City Staff. The \$170,000 project management fee is estimated to be expended as follows:

1999	\$24,715	Request for Proposal/Conceptual Design review/Design Consultant Selection/Design Review/State Corrective Action Plan Review/Final Design Review
2000	\$27,432	Contractor Selection/Construction Observation/System Start-up/ Operation & Maintenance Contractor Selection
2001 - 2006	\$19,642/year	Project management review of Operation & Maintenance activities along with 2 year site monitoring and system shut down when the project is complete.

Alternative

If City Council does not approve the contract with CH2M Hill as project manager, the City will continue to use limited resources available through City Staff without the technical expertise of CH2M Hill to effectively carry out project management on the accelerated clean up of the Municipal Service Center. The current treatment system has occasionally been in violation of the State discharge permit; however, with CH2M Hill's technical assistance with full-time design, construction, and part-time assistance with operations & maintenance, the chance of being in non-compliance will be significantly reduced.

A second alternative considered was to advertise the project management role and evaluate proposals from environmental engineering firms. Staff thought with CH2M Hill's successful past experience with similar projects and their technical remediation expertise that their selection to perform the project management tasks for the MSC Gasoline Recovery System would improve the City's ability to meet the overall site clean-up schedule.

Respectfully submitted,

William M. Christopher
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999
Subject: Kitchen Equipment – Heritage Golf Course Clubhouse
Prepared by: Richard Dahl, Park Services Manager

Introduction

City Council action is requested to award the bid for the purchase of specific pieces of kitchen equipment to the following two vendors in the amounts indicated. Both vendors are the low bidders for the kitchen and bar equipment being purchased for the Heritage at Westmoor Clubhouse restaurant. Funds have been specifically allocated in the Heritage Golf Course Construction account for this expense.

Summary

The Heritage Golf Course and Clubhouse is scheduled to open September 9, 1999.

As part of the construction contract with Fischer Construction, builder of the Clubhouse and Maintenance Facility, the City of Westminster is responsible to select and purchase the kitchen and bar equipment (stoves, freezers, refrigerators, food preparation tables and related appliances) for the restaurant. Bert Gehorsam, restaurant concessionaire for both the Legacy Grill and the Heritage restaurant, has been serving as kitchen consultant to the City of Westminster and the clubhouse designer, Odell Architects.

Staff Recommendation

Award the Heritage Clubhouse kitchen and bar equipment to the following vendors: Noble Sysco for \$67,250 and K.Diamato & Associates for \$32,875 for a total purchase price of \$100,125 and charge the expense to the appropriate capital construction project account for the Heritage at Westmoor Golf Course.

Alternative

1. Reject the Staff recommendation and require Staff to re-bid the purchase of this equipment in hopes of a lower bid. Staff does not recommend this action as it will delay the delivery of the equipment in time for the Heritage opening in September.
2. Take no action. Staff does not recommend this approach as it could jeopardize Staff's ability to effectively operate the clubhouse restaurant and adversely effect revenue.

Background Information

Bert Gehorsam , kitchen consultant, and Parks Recreation and Libraries Staff solicited bids for the kitchen equipment package from four vendors; Noble Sysco, Shamrock Foods, Restaurant Source and K. Damato & Associates.

To reduce costs it was determined to pursue the purchase of refurbished equipment where practical. Units such as stoves, fryers, preparation tables and shelving were targeted as possibilities based on the quality of the refurbishment and warranties on the product. By purchasing refurbished equipment staff was able to hold down the costs to furnish the Heritage Clubhouse kitchen and bar area by 40% over the cost of new equipment.

Coolers, freezers and smaller appliances were deemed to be units which will be purchased new due to the small cost differential between new and refurbished and the better warranties on the new equipment.

Bid results (New Equipment):

Nobel Sysco	\$ 67,250
Shamrock Foods	\$ No Bid
Restaurant Sources	\$ No Bid

Bid results (Refurbished Equipment);

K. Damato & Associates	<u>\$ 32,825</u>
Total	\$100,125

Both Shamrock Foods and Restaurant Sources were contacted by Staff several times for bid submittals but were unresponsive within the time frame indicated. Both Nobel Sysco and K. Damato & Associates have shown extreme interest in this project and have worked with staff to provide layout locations for plumbing and electrical lines during the design and construction process without any cost to the project.

Items being purchased for the Heritage clubhouse restaurant kitchen and bar area include the following:

Gas Range	Freezer/counter
Broiler	Heat lamp
Griddle	Serving counter/hot
Shelving	Hand sinks
Refrigerator/counter	Refrigerator
Oven/steamer	Counters (stainless steel)
Dish tables	Cabinets
Disposer	Condensate hood
Work table	Ice maker
3 basin sink	Food mixer
Walk-in Cooler	Walk-in Freezer
Reach-in cooler	

Respectfully submitted,

William M. Christopher
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Ambulance Billing Contract

Prepared by: Steven M. Pacifico, Deputy Chief of Administration

Introduction

City Council action is requested to authorize the City Manager to sign a contract with Healthcare Professional Billing to perform ambulance billing.

Summary

In 1991 the Fire Department initiated ambulance transport of patients which subsequently identified the need to implement an ambulance-billing program. As a result, one FTE Accounts Receivable Clerk was hired to perform ambulance transport billing in-house. Ambulance transport billing has been conducted in-house since that time.

Ambulance transport billing is very specialized due to several reasons as follows:

- there are numerous insurance companies each with different procedures and guidelines regarding ambulance transport billing;
- there are numerous state and federal regulations that pertain to the insurance industry; and the proficient use of related medical codes and
- related computer software requires previous experience and/or a substantial training period.

On June 23, 1999 the Accounts Receivable Clerk that performed ambulance transport billing for the City submitted her resignation that was effective July 6, 1999. Staff is recommending that the City contract out for ambulance transport billing on an interim basis for at least a six-month period. The estimated amount of the contract is \$25,825. This would minimize any loss of revenue that is a result of the City's inability to meet required deadlines or perform billing procedures in a timely fashion during the hiring and training of a replacement Accounts Receivable Clerk. This would also allow for a trial run at privatizing the program, which would assist Staff in evaluating whether or not to permanently privatize the program.

In May of this year Staff conducted research regarding the possibility of having an outside vendor perform ambulance billing. That research included: soliciting proposals from potential vendors; identifying the total cost for in-house ambulance transport billing; comparing cost of in-house ambulance billing with the proposals submitted by outside vendors using actual 1998 and projected 1999 ambulance transports; and meeting with several area Fire Departments that contract with a private vendor for ambulance billing. The research conducted by Staff was timely with respect to the recent Accounts Receivable Clerk's resignation and has assisted Staff in making the following recommendation.

Staff Recommendation

Authorize the City Manager to sign a contract for a six-month period with Health Care Professional Services for a fee of 5% of monthly collections that occur after July 1, 1999 and charge it to the appropriate contractual account in the Fire Department's Operating Budget.

Background

In 1991 the Westminster Fire Department initiated transport of patients which subsequently identified the need to formulate an ambulance billing program. Staff evaluated two options regarding ambulance billing programs: adding an additional FTE as an Accounts Receivable Clerk and conducting the billing in-house; or securing an outside vendor to perform the billing. After careful evaluation, Staff recommended to City Council that the ambulance billing be performed in-house. City Council subsequently approved Staff's recommendation and one FTE was hired in the Finance Department. Ambulance billing has been handled in-house since that time with the only change being the Accounts Receivable Clerk having been reassigned to the Fire Department in 1997.

During that time Staff realized the need to secure a back-up person to cover vacations or a long-term illness. Two Staff members were trained on critical aspects of the job, both that have since left the City with the most recent resignation effective on March 5, 1999. Staff was in the early stages of training a member of the clerical pool when the Accounts Receivable Clerk submitted her resignation.

The Fire Department identified the ambulance billing program on the 1999 City Work Plan as a potential program to be evaluated for privatization. Staff completed an evaluation of both in-house ambulance billing and a potentially privatized ambulance-billing program in May. The results of the evaluation showed that the cost difference is minimal between the two methods of performing ambulance billing with respect to our current number of ambulance transports.

During the evaluation process Staff solicited proposals from three outside vendors to perform ambulance billing for the City. The proposals included items that the City had and utilized for in-house billing such as: billing patients; handling inquiries regarding ambulance bills; working with insurance companies; tracking down pertinent patient information that may be needed; honoring the Westminster Med Program; securing and working with collection agencies; sending follow-up invoices as needed; and providing the City with monthly financial reports. In addition, Staff met with several neighboring Fire Departments that utilize an outside vendor for their ambulance-billing program in an effort to get their feedback and to verify information contained in the proposals. After careful review of the proposals, two vendors, including Healthcare Professional Billing, were identified as possible candidates to perform ambulance billing for the City.

In-House Ambulance Billing Costs

The in-house ambulance billing program consists of one Accounts Receivable Clerk. Additionally, there are some associated costs for the program. Current costs for the program are as follows:

- One Accounts Receivable Clerk with a salary of \$31,436.63 per year. This figure includes longevity.
- A benefit package calculated @ 27.25% (data provided by Human Resources) of the Accounts Receivable Clerk's salary. Total cost of the benefit package is \$8,566.48.
- Associated supplies estimated at \$6,160.17. This includes postage, computer software, computer replacement every 3 years, career development and subscriptions. These figures are actual costs reflected in the 1998 Fire Department Budget with a 3% estimated increase.
- Time spent by the Deputy Chief of Administration on the ambulance billing program per year estimated @ \$1,913.29. This is 2% of the Deputy Chief of Administration's workweek.
- Time Spent by the Training Captain on the ambulance billing program per year estimated @ \$1,482.57. This is 2% of the Training Captain's workweek.

- The Accounts Receivable Clerk also provides work breaks for other members of the support Staff. This is 2 ½ hours per week @\$15.07 per hour. This calculates to \$1,960.38 per year. Staff has added this amount to each of the following proposals submitted by outside vendors.
- The Accounts Receivable Clerk also administers the Westminster Med Ambulance membership program. This includes processing applications, record keeping for membership data and handling phone inquires regarding the program. Time spent by the Accounts Receivable Clerk on this program is estimated @ \$1,176. Staff has added this amount to each of the following proposals submitted by outside vendors.

Estimated total cost for in-house ambulance billing in 1999 is \$49,559.
(This includes time spent on giving work breaks and Westminster Med)

Actual total cost for in-house ambulance billing in 1998 was \$48,072.
(Costs for 1998 were 3% less than the 1999 estimated total)

Projected Costs for Privatization of the Ambulance-Billing Program

The Fire Department is currently experiencing a 15% increase in alarms in 1999 as compared to 1998. Therefore, Staff has estimated revenues to increase at or about the same percentage. Staff estimates ambulance billing revenues to be \$897,461 for 1999, and has incorporated this figure into the proposals submitted by the three vendors. Staff also believes that time spent on ambulance billing issues by the Deputy Chief of Administration and the Training Captain will at least remain the same, which calculates out to be \$3,395 per year. Staff has also added \$1,960 to each proposal to account for the time currently spent by the Accounts Receivable Clerk giving work breaks to other support staff members and \$1,176 for time spent on the Westminster Med Ambulance Program. The following information shows what the program would cost if it had been privatized in 1998 and the projected costs for doing the same in 1999. The information also assumes a comparable collection rate. The current in-house ambulance-billing program realized a 79.5% collection rate in 1998.

The following proposals were received to administer the billing program:

1. Healthcare Professional Billing – Submitted a proposal for fees of 5% of revenue collected.

	1999 Costs	1998 Costs
5% fee of \$897,461 in 1999 and \$780,401 in 1998	\$44,873	\$39,020
Staff time for The Deputy Chief and Training Captain	\$3,395	\$3,293
Loss of break time	\$1,960	\$1,901
Staff time for Westminster Med Program	\$1,176	\$1,140
Total	\$51,404	\$45,354

2. Medibank – Submitted a proposal for fees of 15% of revenue collected.

	1999 Costs	1998 Costs
15% fee of \$897,461 in 1999 and \$780,401 in 1998	\$134,619	\$117,060
Staff time for the Deputy Chief and Training Captain	\$3,395	\$3,293
Loss of break time from Accounts Receivable Clerk	\$1,960	\$1,901
Staff time for Westminster Med Program	\$1,176	\$1,140
Total	\$141,150	\$123,394

3. Provider Billing Services, Inc. – Submitted a proposal for fees of 5% of revenue collected.

	1999 Costs	1998 Costs
5% fee of \$897,461 in 1998 and \$780,401 in 1998	\$44,873	\$39,020
Staff Time for the Deputy Chief and Training Captain	\$3,395	\$3,293
Loss of break time	\$1,960	\$1,901
Staff time for Westminster Med Program	\$1,176	\$1,140
Total	\$51,404	\$45,354

Staff is recommending Healthcare Professional Billing to perform ambulance billing for the City for the following reasons: cost; they are conveniently located in Broomfield; two area Fire Departments that utilize them for ambulance billing are satisfied with their performance; and they are currently performing ambulance billing and not just medical billing for doctors and dentists. It is Staff's intent to evaluate the performance of Healthcare Professional Billing during this interim period and then make a long-term recommendation to City Council with respect to how the City should have ambulance billing conducted.

Advantages of Privatizing the Ambulance Billing Program

- The City could eliminate, reallocate or job split one FTE.
- The City does not have to be the “bad guy” during the billing and collection process.
- On-going computer hardware and software items that are tied to the program would no longer be needed.
- Could possibly free up staff time that normally is required for walk in customers with billing questions and day to day management of the program.
- Frees up one workspace in an already crowded City Hall office space.
- An outside vendor may take a more aggressive approach regarding collections since their fee is based on actual monies collected. This could result in the City acquiring more revenue.
- Customer service could be improved due the fact there will be several employees available to handle the City's billing rather than only one.

Disadvantages of Privatizing the Ambulance Billing Program

- Accessing billing records and financial information for the program will take longer and not be as convenient as it is currently.
- The City loses control of some customer service aspects in the billing process.
- The Fire Department loses the services that were performed by the Accounts Receivable Clerk that are not related to ambulance billing.
- There is the potential for customers to be dealt with inconsistently due to the fact that there could be numerous billing personnel handling the City's ambulance bills.
- Payment plan alternatives would become more restrictive with less opportunity to accommodate each customer's specific financial situation.

- The City would be handing off the collection of the funds from the program and would be in the position of trusting a third party to collect and deposit the funds.
- The current collection rate could decrease resulting in loss of potential revenue to the City.
- Although Staff has projected that time spent by the Deputy Chief of Administration and Training Captain to manage a privatized ambulance-billing program would remain at least constant, there is the probability this could increase. This is due to the fact that an outside vendor is not located at City Hall and easily accessible for questions and information. This would be an increase in costs incurred by the City.

Alternatives

1. Approve Staff's recommendation, Healthcare Professional Billing, for ambulance billing on an interim basis for a six month period.
2. Award the contract to another vendor that submitted a proposal to Staff.
3. Direct Staff to have the project re-bid.
4. Direct Staff to keep ambulance billing in-house and initiate the hiring process for a replacement Accounts Receivable Clerk.

Respectfully submitted,

William M. Christopher
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: First Public Hearing on 2000 City Budget

Prepared by: Barbara Gadecki, Assistant to the City Manager

Introduction

City Council is scheduled to hold a public hearing to receive public input on the 2000 City Budget at Monday night's City Council meeting.

Summary

Development and review of the 2000 City Budget will continue through the summer and will culminate in the distribution of the 2000 Proposed Budget to City Council on September 3. The final public hearing is scheduled for September 13, prior to the City Council Budget Retreat, so that citizens will have one more opportunity to comment and provide feedback on the 2000 City Budget. In accordance with the City Charter, City Council must adopt the budget no later than the October 25 City Council meeting.

Staff Recommendation

Hold a public hearing on the 2000 City Budget and receive citizen comments.

Background Information

In April, City Council identified key focus areas to be pursued in 2000. The following is a list of these focus areas:

- Improve transportation systems in the northwest quadrant of the Denver Metro Area;
- Continue to develop Westminster as the "City of Choice" in the Metro Area;
- Maintain high quality services;
- Broaden citizen communication and involvement;
- Enhance the City's economic/fiscal viability; and
- Strengthen regional cooperation on priority projects.

The direction provided by City Council assists City Staff as they prepare and review the 2000 Proposed City Budget. Other considerations that go into developing a well-balanced budget are department priorities that strive to maintain existing service levels and citizen/neighborhood input.

The development of the 2000 City Budget will occur throughout the summer, and a Proposed Budget, per City Charter requirements, will be submitted by the City Manager to City Council on September 3 for their review. After reviewing the Proposed Budget for several weeks, City Council will hold their annual Budget Retreat on October 2 to more thoroughly review staffing levels, programs, services, and capital projects.

First Public Hearing on 2000 Budget
Page 2

One last public hearing is scheduled for September 13 to receive citizen input regarding the 2000 Proposed Budget. Adoption of the 2000 Budget is scheduled for October 25 per City Charter requirements.

Respectfully submitted,

William M. Christopher
City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Councillor's Bill No. 37 re Amended Lucent Technology Assistance Package

Prepared by: Bill Christopher, City Manager

Introduction

City Council previously approved a Business Assistance Package with Lucent Technologies for their new 480,000 square foot building, which is under construction at the southwest corner of 120th Avenue, and Huron Street. Recently, a Lucent Technologies representative requested that the construction completion date be modified in the agreement based on more current information that they now have.

Summary

The attached amendment to the Lucent Technologies Business Assistance Agreement calls for changing the completion date of the new building from August 1, 2001 to December 31, 2001. The completion date stated in the Assistance Agreement is important from the standpoint that if the prospect fails to complete the construction by the stated date in the agreement, the assistance agreement is terminated and becomes void.

Staff Recommendation

Pass Councillor's Bill No 37 on first reading, amending the construction completion date in the Lucent Technologies Business Assistance Package from August 1, 2001 to December 31, 2001.

Background

City Council previously approved the Business Assistance with Lucent Technologies in May, 1999 pertaining to their new 480,000 square foot building to be built adjacent to the existing facility located at 120th Avenue between Pecos and Huron Streets. The new building is estimated to cost \$136 million with the total project including furnishings, fixtures and equipment valued at \$158.8 million. The approved assistance package spelled out financial assistance totaling \$1.0 million for this project. This level of assistance represents 23% of the estimated \$4,289,000 to be collected by the City in permit fees, building use tax, use tax on equipment and property tax revenue projected over the first five years of operation.

The only change to the approved agreement is in Paragraph 3 changing the construction completion date from August 1, 2001 to December 31, 2001. Mr. Colin Cameron of Lucent Technologies recently contacted City Staff and indicated that a more realistic completion date would be toward the end of 2001. Since they do not want to jeopardize their assistance package, they are requesting the change in date. Staff concurs in the change and notes that it is obvious Lucent Technologies is committed to the building project as they have taken out a building permit and construction is underway on the site. A copy of the previous agenda memorandum and agreement are attached for City Council's information along with the amended agreement, which reflects the new completion date.

Respectfully submitted,

William M. Christopher, City Manager
Attachment

BY AUTHORITY

ORDINANCE NO.
SERIES OF 1999

COUNCILLOR'S BILL NO.
INTRODUCED BY COUNCILLORS

A BILL

FOR AN ORDINANCE AUTHORIZING AN AMENDED ASSISTANCE AGREEMENT WITH LUCENT TECHNOLOGIES:

WHEREAS, the successful attraction and retention of high quality development to the City of Westminster provides employment opportunities and increased revenue for citizen services and is therefore an important public purpose; and

WHEREAS, it is important for the City of Westminster to remain competitive with other local governments in creating assistance for high quality development to locate in the City; and

WHEREAS, the Lucent project is projected to generate \$4.3 million in fees and taxes in the first five (5) years of operation; and

WHEREAS, Lucent Technologies will construct approximately 480,000 square feet of office space estimated at a cost of \$136 million; and will remodel existing facilities at a cost of \$23 million; and

WHEREAS, a proposed Assistance Agreement between the City and Lucent Technologies is attached hereto as Exhibit "A" and incorporated herein by this reference.

NOW, THEREFORE, pursuant to the terms of the Constitution of the State of Colorado, the Charter and ordinances of the City of Westminster, and Resolution No.53, Series of 1988, the members of the City Council of the City of Westminster direct and authorize the following actions by the City Staff:

Section 1. The City Manager of the City of Westminster is hereby authorized to enter into an Amended Assistance Agreement with Lucent Technologies, in substantially the same form as the one attached as Exhibit "A," and upon execution of the Agreement to fund and implement said Agreement with a revised complete date of December 31, 2001..

Section 2. This ordinance shall take effect upon its passage after second reading.

Section 3. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 12th day of July, 1999.

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this day of July, 1999.

ATTEST:

Mayor

City Clerk

**AMENDED ASSISTANCE AGREEMENT
FOR THE EXPANSION AND REMODELING
OF LUCENT TECHNOLOGIES IN THE
CITY OF WESTMINSTER**

THIS AGREEMENT is made and entered into this _____ day of _____, 1999, between the CITY OF WESTMINSTER (the "City"), and LUCENT TECHNOLOGIES, INC. (LUCENT).

WHEREAS, the City wishes to provide certain assistance to Lucent Technologies, to aid in the construction and remodeling of facilities within the City; and

WHEREAS, the proposed space is projected to generate over \$4.3 million in fees and tax revenues during the first 5 years of operation; and

WHEREAS, City Council finds the execution of this Agreement will serve to provide benefit and advance the public interest and welfare of the City and its citizens by securing the location of this economic development project within the City.

In consideration of the mutual promises set forth below, the City and Lucent Technologies, agree as follows:

1. The City shall provide \$100,000 to Lucent Technologies within 30 days of the issuance of the Certificate of Occupancy (CO), to assist in defraying the cost of moving.

2. The City shall rebate to Lucent Technologies an amount not to exceed \$900,000 (the "Rebate"). Such rebate shall be payable exclusively from tax revenues collected by the City of Westminster from the Lucent Technologies facility in Westminster and attributable to the imposition of the City's 3.0% general use tax (excludes the City's .25% Open Space Tax). Quarterly installments equal to 100% of the Use Tax collected and received by the City from Lucent shall be made within 20 days following the close of each calendar quarter. The first rebate installment shall occur at the close of the quarter in which the CO is issued for the new office facility in Westminster.

3. This Assistance Agreement shall terminate and become void and of no force or effect upon the City if Technologies has not completed construction and moved into its new building by December 31, 2001.

4. In the event Lucent Technologies ceases business operations within the City within three (3) years after the new operations commence, Lucent shall pay to the City the total amount of all funds provided to Lucent Technologies pursuant to this Agreement.

5. This instrument shall constitute the entire business assistance agreement between the City and Lucent Technologies and supersedes any prior agreements between the parties and their agents or representatives, all of which are merged into and revoked by this Agreement with respect to its subject matter.

6. Subordination. The City's obligations pursuant to this Agreement are subordinate to the City's obligations for the repayment of any current or future bonded indebtedness and are contingent upon the existence of a surplus in sales and use tax revenues in excess of the sales and use tax revenues necessary to meet such existing or future bonded indebtedness. The City shall meet its obligations under this Agreement only after the City has satisfied all other obligations with respect to the use of sales tax revenues for bond repayment purposes. For the purposes of this Agreement, the terms "bonded indebtedness," "bonds," and similar terms describing the possible forms of indebtedness include all forms of indebtedness that may be incurred by the City, including, but not limited to, general obligation bonds, revenue bonds, revenue anticipation notes, tax increment notes, tax increment bonds, and all other forms of contractual indebtedness of whatsoever nature that is in any way secured or collateralized by sales and use tax revenues of the City.

7. Nothing in this Agreement shall be deemed or construed as creating a multiple fiscal year obligation on the part of the City within the meaning of Colorado Construction Article X, Section 20, and the City's obligations hereunder are expressly conditional upon annual appropriation by the City Council.

8. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado. This Agreement shall be subject to, and construed in strict accordance with, the Westminster City Charter and the Westminster Municipal Code. In the event of a dispute concerning any provision of this agreement, the parties agree that prior to commencing any litigation, they shall first engage in good faith the services of a mutually acceptable, qualified, and experience mediator, or panel of mediators for the purpose of resolving such dispute. The venue for any lawsuit concerning this agreement shall be in the District Court for Adams County, Colorado.

LUCENT TECHNOLOGIES, INC.

CITY OF WESTMINSTER

By _____

William Christopher
City Manager
4800 West 92nd Avenue
Westminster, CO 80030

Lucent Technologies, Inc.

ATTEST:

ATTEST:

Title

Michele Kelley
City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Resolution No 46 re Temporary Storage at the Rocky Flats Environmental Technology Site

Prepared By: Mary Harlow, Rocky Flats Coordinator

Introduction

City Council consideration is requested to adopt the attached Resolution regarding Temporary Transuranic Waste Storage at the Rocky Flats Environmental Technology Site.

Summary

The Department of Energy (DOE) will experience a shortfall of transuranic/transuranic mixed waste storage space at the Rocky Flats Environmental Technology Site by January 2002. The DOE has issued a Draft Environmental Assessment for Temporary Storage of the waste which includes several alternatives, including:

- no further action
- renovation of existing facilities
- use of interim storage modules
- building hardened facilities

The Department of Energy has chosen renovation of existing facilities as its preferred option, however, it reserves the right to choose another option or a combination of options. The Environmental Assessment does not provide the level of detail necessary for the community to make informed choices or to ensure that the Department of Energy's preferred alternative is really their number one choice. By reserving all options, the DOE could build a hardened facility or place modular storage on site which could result in the waste being stored at Rocky Flats in perpetuity. A combination of storage options that includes reusing current structures as well as using tents as a backup provides the best option. Workers in the waste storage facilities must be provided As Low As Reasonably Achievable protection (ALARA) from radiation generated by the waste. All waste must be removed from the site before a final Record of Decision is signed by the regulators. The Colorado Congressional Delegation, Governors office and the regulators must ensure that a disposal site is found for those waste known as "Orphan Wastes" that also could be stored on site in perpetuity in a building or tent if a concerted early effort is not undertaken to provide a viable disposal option.

Alternative

Provide support for the no action alternative. This alternative would bring cleanup and closure to standstill because of the lack of storage space for the waste generated during cleanup. This alternative would pose an unnecessary continued risk to the community. The Department of Energy (DOE) would be forced to stop cleanup awaiting the removal of waste. Congress could divert funding from Rocky Flats to other sites.

Council could determine that the DOE should build hardened facilities which would provide the maximum health and safety protection but could result in waste being stored at Rocky Flats in perpetuity.

Recommend that temporary facilities be constructed on the southeast corner of the Site. This recommendation would result in contamination being moved to an area that has previously been uncontaminated. Utilities would need to be brought to the site by an offsite provider after the 2006 closure date. The DOE will cease providing utilities at that time. The structures could remain until 2015 or in perpetuity.

Staff Recommendation

Adopt Resolution No. 46 which recommends that the Department of Energy pursue a combination of alternatives for temporary transuranic waste storage at the Rocky Flats Environmental Technology Site.

Background Information

The Department of Energy has issued a Draft Environmental Assessment (EA) for Temporary Storage of Transuranic and Transuranic Mixed (TRU/TRM) Waste at the Rocky Flats Environmental Technology Site RFETS for public comment. The Assessment provides several alternatives for providing additional storage. Although the Department of Energy indicates that their preferred alternative is to use existing buildings, the EA does not provide enough information to justify their selection. The EA is contradictory in that the DOE states that final selection of alternative(s) to provide additional waste storage will be made as factors relating to WIPP shipments and TRU/TRM waste generation rates are known. The final strategy may involve a combination of actions included in the individual alternatives as outlined by the DOE. The EA does not provide information as to what events would precipitate the choice of the other alternatives.

The Department of Energy will have a shortfall of Transuranic/Transuranic waste storage space at the Site due to delays in opening and transporting waste to the Waste Isolation Pilot Plant (WIPP) at Carlsbad, New Mexico, and delays in designating a disposal site for the low level/low level mixed waste from RFETS. There is still uncertainty as to when the WIPP site will obtain the State of New Mexico license to dispose of mixed transuranic waste which comprises the majority of TRU waste that is currently being stored as legacy waste and will be generated during cleanup. A lack of trucks and TRUPAC containers to aggressively ship waste to WIPP is also a major problem.

The Department of Energy has provided several alternatives for providing the necessary additional waste storage.

Storage Options Being Considered (See Attachment 1 for cost comparisons)

1. No Action Alternative

DOE would develop no additional waste storage capacity at RFETS beyond existing storage now in use.

There are no positive aspects to this alternative. With this restriction work towards most closure actions at the site would be halted or severely curtailed.

2. Refurbish Existing Building(s). DOE Preferred Alternative is to Use Existing Buildings

Refurbishing and/or refitting existing buildings so they meet the requirements for storage of TRU/TRM wastes could provide additional storage space. Buildings 444, 551, 460, 865, 883 and 906 (this building has been added to the list) show the most promise. Several other less promising buildings are being looked at. None of the existing buildings are perfect for waste storage and modifications will be required.

Implementation of this alternative could preempt existing site plans for decommissioning and demolition of any buildings actually used for TRU/TRM waste storage.

3. New Facility Construction (See Attachment 2 for proposed location of the modules)

This alternative would involve construction of up to two new 100,000 square foot buildings at the site. The structures would be located in the southwest corner of the site that is partly being used as a parking lot for Federal employees. Each module would be 200 feet wide by 500 feet long and about 32 feet high at the roof peak. They would be constructed of steel-support/steel wall design with concrete slab-on-grade foundations. Drums would be stacked 5 feet high.

Council Resolution No. 61, Series of 1994 entitled “ Waste Storage at the Rocky Flats Site”, urges DOE, Environmental Protection Agency (EPA) and the Colorado Department of Public Health and Environment (CDPHE) to take any and all actions that ensure that hazardous-classified waste be disposed of off site at licensed facilities to avoid accumulations and that the minimization of on-site accumulation and storage of all wastes generated become a priority of the Department of Energy. The Resolution does not support new facility construction.

The buildings would need to be decontaminated and demolished once there is no longer a need for on-site storage of waste. The area selected for construction is not currently contaminated. Construction of these buildings could further spread contamination on the site. The storage facilities would have to be capable of storing waste safely until shipments to WIPP can be completed. This is expected to occur around 2015. Diverting cleanup dollars for building new structures is not compatible with cleanup and closure.

4. Storage in Existing Tents Alternative (See Attachment 3 for location of tents)

Existing tents would be utilized to provide some of the required additional waste storage. A maximum of nine existing tents could be adapted for waste storage (See attached map for location of the tents). Storing the waste in tents serves to remind the DOE that these structures are not permanent and that the waste must be removed from the site.

The tents would be located in the Woman Creek drainage. Berms designed to contain potential waste spills and reduce building outflow from sprinkler fire suppression water will need to be constructed to protect Woman Creek from potential contamination.

5. Off-Site Storage

There are no commercial facilities in the United States that currently store, or plan to store TRU/TRM waste. The only existing waste storage is at other DOE sites such as Hanford and Idaho National Laboratories. DOE through their Waste Management Environmental Impact Study decided to treat and store TRU/TRM waste at Rocky Flats. Off-site storage is therefore not a feasible alternative.

6. Alternative Design for New Facility (Hardened Building)

DOE also considered constructing the new waste storage facility as a hardened building. For these reasons it was dismissed from further consideration.

The waste would be stored in a hardened building providing the maximum health and safety advantages. Cost to construct such a facility could be up to an order of magnitude at least ten times higher than the other alternatives and would provide only marginal additional health and safety advantages.

Proposed Alternative for Waste Storage

The Department of Energy must ensure that offsite shipments of all waste forms currently being stored at Rocky Flats are accelerated so that the need for additional storage can be minimized. The Department of Energy, Colorado Congressional Delegation, Governors office and the regulators should work together to secure offsite disposal facilities for the “Orphan Waste” currently stored at the site. If an offsite disposal site cannot be located there is a good chance that this waste will be stored at Rocky Flats for a very long time.

Respectfully submitted

William M. Christopher
City Manager

Attachments

RESOLUTION

RESOLUTION NO.

INTRODUCED BY COUNCILLORS

SERIES OF 1999

TEMPORARY TRANSURANIC WASTE STORAGE AT THE ROCKY FLATS ENVIRONMENTAL TECHNOLOGY SITE

WHEREAS, the City of Westminster Council Resolution No. 61, Series of 1994 entitled "Waste Storage at the Rocky Flats Site," urges the United States Department of Energy, Environmental Protection Agency and the Colorado Department of Public Health and Environment to take any and all actions that ensure that hazardous-classified waste be disposed of off-site at licensed facilities to avoid accumulations, and that the minimization of on-site accumulation and storage of all wastes generated become a priority of the Department of Energy, and

WHEREAS, the decontamination and decommissioning of Rocky Flats site buildings is necessary in order for the site to be cleaned up and closed by 2006, and

WHEREAS, large quantities of transuranic/transuranic mixed waste will be generated during the cleanup process, and

WHEREAS, due to delays in opening the Waste Isolation Pilot Plant and the lack of an aggressive shipment program to the WIPP facility, the Department of Energy will have a shortfall of storage space for this waste by January 2000, and

WHEREAS, the Department of Energy has provided several alternatives for providing the necessary additional waste storage, and

WHEREAS, the City of Westminster does not support long-term waste storage nor building new facilities for waste storage due to the risks associated with long-term storage of this waste to City residents and to Standley Lake, and

WHEREAS, building new facilities takes the pressure off the Department of Energy to remove the waste and could result in the waste being stored at the site for an undetermined period of time.

NOW THEREFORE, be it resolved that the Westminster City Council declares that;

1. The City of Westminster urges the United States Department of Energy to take any and all actions necessary to remove the transuranic/transuranic waste as well as other waste forms from the Rocky Flats Environmental Site as quickly as possible. Every effort must be taken during decontamination and deconstruction activities to minimize the generation of waste. This includes pursuing technologies that could aid in waste reduction.
2. The City of Westminster supports a combination of alternatives for interim storage of waste, which include refurbishing buildings 444, 551, 460, 865, and 883 and utilizing the nine tents currently on-site as back-up. The tents should only be used for back-up waste storage in the event that all designated interim waste storage facilities are in use. If the tents are used, the Department of Energy must provide a detailed schedule and timetable for their removal and must ensure that waste management activities are coordinated and scheduled in a manner that ensures that waste is continually being removed from the site and that onsite interim storage is kept to a minimum. Closure should not occur before all waste and waste storage facilities are removed from the site.
3. Waste stored in tents must be kept in a secured area and continually monitored. The Department of Energy must provide funding for this activity.

4. All Federal employees be removed from the refurbished buildings before any waste is placed in the facilities for storage. Placing the workers in close proximity to stored waste poses an unacceptable risk. Fourth and fifth tier private sub-contractors should be removed from the T130 trailers which could then be used to provide space for the relocated Federal workers.
5. The City of Westminster further recommends that the Department of Energy, Governors Office, Colorado Congressional Delegation as well as the Colorado Department of Public Health and Environment pursue all options for the offsite disposal of the "Orphan Wastes" that were originally designated to be disposed at the DeerTrail/Safety-Kleen facility. If other offsite disposal options are not located there is a danger that this waste could remain in storage at Rocky Flats in perpetuity and pose a risk to the Westminster community.
6. Future Environmental Assessments be prepared in a manner that allows the City to clearly determine the actual preferred alternative. The Transuranic Waste Storage Environmental Assessment is written in a manner that reserves all the available options for future use for DOE. This precludes the City of Westminster from taking actions to ensure that the alternatives chosen for waste storage in the future do not include building waste storage facilities. Westminster encourages the Department of Energy to provide clear, concise cleanup related documents in a timely manner so as to ensure that there is adequate information and time for the City and other stakeholders to provide comments and recommendations.

Passes and adopted this 12th day of July, 1999

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Standley Lake Regional Park

Prepared By: Richard Dahl, Park Services Manager

Introduction

City Council action is requested to pass on first reading the attached Councillor's Bill re a supplemental appropriation of \$125,000, the amount of the 1998 Great Outdoors Colorado (GOCO) grant award, into the General Capital Improvement Project Fund for construction of Standley Lake Regional Park. City Council action is also requested to adopt the attached Resolution authorizing the City Manager to sign a contract with GOCO fulfilling the City's obligation of matching funds for construction of Standley Lake Regional Park. The City's portion of matching funds of \$2,463,733 are budgeted in the 1999 through 2000 General Capital Improvement Fund for construction of this park project.

Summary

On October 1998, Staff applied for a \$125,000 Local Government Park and Outdoor Recreation Grant sponsored by GOCO for the Standley Lake Regional Park interpretive/environmental education center. The City was awarded the grant in the amount of \$125,000 on December 2, 1998 for construction of the park. For this cycle, the State Board for the Great Outdoors Colorado Trust Fund awarded \$3.8 million dollars to 58 local government parks, outdoor recreation and environmental projects.

Staff Recommendation

1. Pass Councillor's Bill No. 38 on first reading appropriating \$125,000 into the General Capital Improvement Fund for construction of Standley Lake Regional Park interpretive/environmental education center.
2. Adopt Resolution No. 47 authorizing the City Manager to sign a contract with GOCO authorizing the City's financial obligation of matching fund for Standley Lake Regional Park development.

Background Information

In April 1998, Jefferson County Open Space (JCOS) and the Farmers Reservoir and Irrigation Company (FRICO) finalized several years of negotiations and reached an agreement in the purchase of the land and recreation rights surrounding Standley Lake. JCOS then deeded all property owned at that time, to the City of Westminster for the purpose of upgrading and maintaining Standley Lake as a regional park. JCOS also contributed \$2,463,733 to be used in the Phase I improvements to include a boat ramp, campground, restroom facilities, fish cleaning station, access roads and trail system.

As part of the Standley Lake Regional Park Master Plan, 300 acres of the park have been set aside as a wildlife and Bald Eagle habitat area which is the site of a nesting pair of eagles who have successfully produced offspring for the past five years.

The interpretive/environmental education center was a component of the park anticipated in a future development phase but the award of the GOCO grant, specifically for this center, will allow the construction to occur with the Phase I improvements. This facility will serve as a regional meeting place for boat safety training classes, interpretive programs, volunteer events, special interest meetings and permanent office space for Lake Operations Staff.

Respectfully submitted,

William M. Christopher
City Manager

Attachments - Resolution, Councillor's Bill and Project area maps

RESOLUTION

RESOLUTION NO.

INTRODUCED BY COUNCILLORS

SERIES OF 1999

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WESTMINSTER DEFINING RESPONSIBILITY IN THE STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND

WHEREAS, the City of Westminster supports the completion of the Standley Lake Regional Park ; and

WHEREAS, The State Board of the Great Outdoors Colorado Trust Fund awarded Westminster a grant in the amount of \$125,000 in 1998 for construction of Standley Lake Regional Park Interpretive/environmental Educational Center, subject to the execution of a grant agreement; and

WHEREAS, the City of Westminster has appropriated funds in the amount of \$2,463,733 for the local match for Standley Lake Regional Park project;

NOW, THEREFORE, the Westminster City Council hereby resolves that the City Manager on behalf of the City of Westminster shall enter into an agreement with The State Board of the Great Outdoors Colorado Trust Fund on a contract for the Standley Lake Regional Park project, and the City of Westminster shall be responsible for providing matching funds as identified in the contract for construction of the Standley Lake Regional Park project. This resolution is to be in full force and affect from and after its passage and adoption.

Passed and adopted this 12th day of July, 1999.

ATTEST:

Mayor

City Clerk

BY AUTHORITY

ORDINANCE NO.

COUNCILLOR'S BILL NO. _____

SERIES OF 1999

INTRODUCED BY COUNCILLORS

A BILL

FOR AN ORDINANCE INCREASING THE 1999 BUDGET OF THE GENERAL CAPITAL IMPROVEMENTS FUND AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 1999 ESTIMATED REVENUES IN THE FUND

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 1999 appropriation for the General Capital Improvements Fund, initially appropriated by Ordinance No. 2654 in the amount of \$14,159,000 is hereby increased by \$125,000 which, when added to the fund balance as of the City Council action on July 26, 1999, will equal \$14,231,374. The actual amount in the General Capital Improvements Fund on the date this ordinance becomes effective may vary from the amount set forth in this section due to intervening City Council actions. This increase is due to the appropriation of a Great Outdoors Colorado grant for the construction of the Standley Lake Regional Park.

Section 2. The \$125,000 increase in the General Capital Improvements Fund shall be allocated to City Revenue and Expense accounts, which shall be amended as follows:

Description	Current Budget	\$ Increase	Final Budget
REVENUES			
Intergovernmental – Jefferson County Open Space 75-0420-020	\$0	<u>\$125,000</u>	\$125,000
Total Change to Revenues		<u>\$125,000</u>	
EXPENDITURES			
Appropriations Holding 75-50-88-555-128	2,311,733	<u>\$125,000</u>	\$2,436,733
Total Change to Expenditures		<u>\$125,000</u>	

Section 3. - Severability The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this Ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading.

Section 5. This ordinance shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED
PUBLISHED this 12th day of July 1999

PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED
this day of July, 1999.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Northwest Area Recreation Center Construction

Prepared by: Philo Shelton, Park Project Engineer

Introduction

City Council action is requested on the attached Councillor's Bill for a supplemental appropriation of \$650,000, into the General Capital Improvement Project Fund which would increase the project account by \$650,000, for construction of the Northwest Area Recreation Center. The Supplemental funds consist of \$500,000 from Westfield Development Group and \$150,000 from Jefferson County Open Space 1999 Joint Venture grant.

City Council action is requested to 1) authorize the City Manager to amend the Construction Manager/General Contract (CMGC) contract with JHL Constructors, Inc. (JHL) to include the Guaranteed Maximum price of \$4,516,632 for construction of the Northwest Area Recreation Center; 2) authorize a Change Order with BBB Architects for \$40,000 for construction testing and special inspections; 3) Authorize a contract with Public Service Company for \$60,000 for exterior lighting for the recreation center; and 4) authorize a 7.0% construction project contingency of \$295,368. Funds for these expenses are available in the 1999 Northwest Area Recreation Center CIP account and \$210,000 of 1998 Park CIP Carryover Funds are recommended to be used for the project to fund the desired community room in the recreation center as previously discussed with City Council.

Summary

Westfield Development Group previously committed \$500,000 toward construction of the Northwest Area Recreation Center to assist with recreation facilities that partly serves the Westmoor Business Park. In December 1998, Staff applied for a \$200,000 Jefferson County Open Space (JCOS) Joint Venture Grant to help fund the landscaping portion of the recreation center and the City was awarded \$150,000 from JCOS.

Staff decided to use the CMGC contract for this project to help control costs. The CMGC contract has a lump sum design phase fee where the contractor provides value engineering and accurate cost estimates for the project prior to entering into the construction phase. This helps to eliminate the unknowns of the general bidding process, allows the contractor to understand the project in detail before finalizing prices for the project, and minimizes the need for change orders in the project. The construction phase fee includes the contractor's overhead, profit, salaries and expenses for the office support staff such as the project manager, project engineer and project administrator. These fees, based on 3.95% of the construction costs, are fixed to help control administrative costs, overhead, and profit. Prior to the start of the construction phase, the contractor is required to establish a guarantee maximum price (GMP) for the project.

The GMP (\$4,516,632) is based on the cost of work (\$4,242,961), construction phase contractor's fee (\$167,597), plus a 2.5% contractor's contingency(\$106,074). The contractor is required to guarantee to build this project within the GMP. JHL received three to five subcontractor bids on all the major work items. Staff has reviewed all the subcontractor's bids and qualifications prior to the contractor establishing the GMP.

This helps to establish if the costs are reasonable and control the quality of subcontractors selected for this project that a normal bid process would not allow. Finally, after the GMP is established, if the Contractor can find cost savings in the project during the construction phase and with owner's approval, there is an incentive clause stipulating that the contractor would receive 25% of these savings and the City would keep the other 75% of this amount. On the other hand, any over runs in the GMP require the contractor to absorb these costs. City Council's approval of the GMP is required prior to start of the construction phase.

Presently, the project is maintaining a 9.5% contingency on construction costs that includes the contractor's and owner's contingency of 2.5% and 7.0% respectively. To accomplish this level of contingency, \$260,000 of 1998 Park CIP carryover money would need to be included in the budget. If City Council would decide not to use 1998 Carryover funds for this project, then the community room costing approximately \$210,000 would have to be deleted from the project to maintain a 10% contingency for the project.

Other costs to the project are construction testing for earthwork and concrete, and special inspections for steel and masonry. These services will be provided through BBB Architects for \$40,000. Public Service Company shall install parking lot lighting and recreation center entry lighting for a cost of \$60,000.

Staff Recommendation

1. Pass Councillor's Bill No. 39 on first reading appropriating \$650,000 into the General Capital Improvement Fund, increasing the project budget by \$650,000, and authorize the use of these funds for construction of the Northwest Area Recreation Center.
2. Authorize the City Manager to amend the contract with JHL Constructors, Inc. in the amount of \$4,516, 632 as the Guaranteed Maximum Price (GMP) for construction phase of the Northwest Area Recreation Center; authorize the City Manager to execute a change order with BBB Architect for \$40,000 to provide construction testing and special inspections for the project; authorize a contract with Public Service Company in the amount of \$60,000 for exterior lighting at the Northwest Area Recreation Center; and authorize a 7.0% construction contingency in the amount of \$295,368 for the project and charge all expenses for this project to the appropriate project account in the General Capital Improvement Fund.

Background

In 1994, the City of Westminster determined a need to either renovate and expand the Countryside Recreation Center or construct a new recreation center in the northwest area of the City. Preliminary planning included citizen surveys, public meetings, conceptual drawings, etc. for a phased project. The new site location, donated by Westfield Development, Inc., on the north side of 108th Avenue, west of Oak Street was presented at a public hearing on the office park, and concurrence was given by City Council on the proposed site (see attached site location map).

In September 1997, City Council directed Staff to formalize a contract with BBB Architects to develop design documents, specifications, and bid documents for the construction of a new recreation center in the northwest area of the City. Originally, City Council authorized the City Manager to sign a contract with BBB Architects for the renovation of the existing Countryside Recreation Center. Immediately following City Council's authorization, but prior to the actual signing of the contract documents, Staff learned of the possibilities of a cooperative recreation center project being proposed by the developer of the Westmoor Business Park.

BBB Architects was notified and later submitted a letter proposing to honor the same contract for the design, construction documents, specifications, and bid documents for a new recreation center at another location.

City Staff held residents' meetings to receive input on the proposed Northwest Area Recreation Center. In addition to those meetings, a comprehensive survey was mailed out to approximately 3,000 residents of the Countryside area. Results of the survey were compiled and presented at a community meeting held in January 1998.

Summary results from the survey revealed that citizens favored locating the new recreation center on the north side of 108th Avenue, just west of Oak Street. People who responded also favored a facility that included a gymnasium, indoor track, exercise room, lockers and showers, aerobics, childcare, and multipurpose room. A task force representing individuals from different neighborhoods within the service area of the new recreation center was selected to review design alternatives and provide input to City Staff. The task force meeting held on May 6, 1998, reached a consensus on the design alternatives that were presented. A community-wide meeting was then scheduled on June 22, 1998 to present the recommendations of the task force and City Staff, and the design recommendation was well received.

Staff prequalified and invited six contractors to interview for the Northwest Area Recreation Center CMGC Contract and four contractors responded to the City's request for proposals. All four contractors were interviewed by Parks, Recreation and Libraries Staff, Bill Bowen with BBB Architects, and Anne Hayes with Westfield Development, Inc. While all the contractors were qualified to perform the work, the interview team selected JHL for the project. JHL demonstrated value engineering ideas in their interview that keeps the original design in tact while realizing a project cost savings by identifying cost effective construction processes, techniques, and coordination of subcontractors. Project references were checked and it was determined that JHL brought their projects in within both the project schedule and budget and came highly recommended.

During the Pre-construction Phase, JHL identified value engineering items. The largest value engineering item selected was to change the roofing material from standing seam metal roof to a thick fiberglass shingle roof for a savings of \$102,500. Other items include revised guard rail detail, masonry detail, and package boiler. In total, the value items selected totaled \$146,527 for the project. Based on the recommendations of the geotechnical company, the soils on site are of a quality where a three foot structural fill and slab on grade system of construction will work for this site. This design saves considerable expense since a structural floor is not required.

Phase I funds available are from the following sources; \$250,000 of 1996 Westminster CIP funds, \$4.0 million of Parks, Open Space and Trails (POST) bond money, \$200,000 of 1999 Westminster CIP funds, \$210,000 to come from 1998 carryover CIP funds, a \$500,000 contribution from Westfield Development Inc., a \$150,000 JCOS Joint Venture Grant and a 7.0 acre land contribution from the Westmoor developer. This \$5.31 million recommended budget is divided as follows:

Design Fees	\$ 320,000
Off Site Drainage Work	\$ 43,000
Preconstruction Phase Costs	\$ 35,000
Public Service Company Lighting	\$ 60,000
Construction Testing/Special Inspections	\$ 40,000
Building Construction Costs, GMP (34,200 SF @ \$124/SF)	\$4,242,961
Contractor's Construction Phase Fee (3.95% of Building Construction)	\$ 167,597
Contractor's Contingency (2.5% of Building Construction)	\$ 106,074
Owner's Contingency (7.0% of Building Construction)	<u>\$ 295,368</u>
Total Project Budget	\$5,310,000

Other project costs to be programmed in the 2000 CIP request include \$250,000 for furniture and equipment and \$85,500 in tap fees for both water and sewer taps. These items are budgeted for next year since these project expenses would occur in the year 2000. Based on a notice of award on July 13, 1999, the Northwest Area Recreation Center is anticipated to be completed in June of 2000.

Also a 3.0 mill property tax for maintenance/operations of the recreation center to be collected from each property owner in the Westmoor development will be available once the Center is open.

Alternative

City Council could have Staff to bid this project under the traditional bidding process. However, a traditional bidding process would not allow for value engineering of the project, selection of a qualified subcontractor, and establishment of construction costs that will fit within the project's construction budget. Most well-established contractors in today's construction market are no longer interested in participating in a sealed bid process. Furthermore, a traditional bid would delay the project by another two months.

Respectfully submitted,

William M. Christopher
City Manager

Attachments: Project Area Map
Councillor's Bill

BY AUTHORITY

ORDINANCE NO.
SERIES OF 1999

COUNCILLOR'S BILL NO. _____
INTRODUCED BY COUNCILLORS

A BILL

FOR AN ORDINANCE AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO INCREASE THE 1999 BUDGET OF THE GENERAL CAPITAL IMPROVEMENT FUND

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 1999 appropriation for the General Capital Improvement Fund, initially appropriated by Ordinance No. 2654 in the amount of \$14,159,000 is hereby increased by \$650,000 which, when added to the fund balance as of the City Council action on July 26, 1999, will equal \$14,756,374. The actual amount in the General Capital Improvement Fund on the date this ordinance becomes effective may vary from the amount set forth in this section due to intervening City Council actions. This increase is due to the appropriation of a \$150,000 Jefferson County Open Space Joint Venture grant and \$500,000 Westfield Development Group contribution for construction of the Northwest Area Recreation Center.

Section 2. The \$650,000 increase in the General Capital Improvement Fund shall be allocated to City Revenue and Expense accounts, which shall be amended as follows:

<u>Description</u>	<u>Current Budget</u>	<u>\$Increase</u>	<u>Final Budget</u>
<u>REVENUES</u>			
Intergovernmental-Jefferson County Open Space			
75-0420-020	\$ 0	\$ 500,000	\$ 500,000
Business Contributions			
75-1108-000	523,000	<u>150,000</u>	673,000
Total Change to Revenues		\$ <u>650,000</u>	
<u>EXPENSES</u>			
Northwest Area Recreation Center Project			
75-50-88-555-381	\$3,740,572	\$ <u>650,000</u>	\$4,390,572
Total Change to Expenditures		<u>\$650,000</u>	

Section 3 - Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this Ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading and shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 12th day of July, 1999. PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this _____ day of July 1999.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Resolution No. 48 ROW re Westcliff Parkway/Harlan Street

Prepared by: Sheila Beissel, Senior Civil Engineer

Introduction

City Council action is requested to adopt the attached Resolution authorizing acquisition of the property interests necessary for U.S. Home Corporation to construct street improvements for Westcliff Parkway/Harlan Street, through eminent domain proceedings if necessary. U.S. Home has failed in their negotiations with the property owners to acquire the necessary right-of-way for the project and has requested that the City exercise its power of eminent domain. All costs and fees associated with the acquisition will be reimbursed to the City by U.S. Home Corporation per an agreement between the parties.

Summary

Final design for the Westcliff Parkway connection to Harlan Street has been completed and the street layout affects three ownerships. U.S. Home Corporation has dedicated the required right-of-way through their property. They are currently negotiating with a second property owner, Jim Hutton, for a temporary construction easement. Finally, U.S. Home attempted and failed in their negotiations with the Michas Brothers ownership to obtain the necessary right-of-way and temporary construction easement. As called for in the June 1998 Settlement Agreement between U.S. Home Corporation and the City of Westminster, the City will exercise its power of eminent domain if U.S. Home negotiations reach an impasse. All costs and fees associated with the property acquisition will be reimbursed by U.S. Home Corporation per the Settlement Agreement.

The attached Resolution allows the City Manager and Staff to pursue all appropriate activities necessary to acquire the right-of-way in a timely fashion. This includes filing lawsuits under the City's power of eminent domain if negotiations with the property owners are not productive.

Staff Recommendation

Adopt Resolution No. 48 authorizing City Staff to proceed with acquisition of sufficient rights-of-way and easements for the construction of the Westcliff Parkway connection to Harlan Street through proceedings of eminent domain, if necessary.

Background

Per the Preliminary Development Plan and the Official Development Plan for the Westcliff Subdivision, U.S. Home is required to construct Westcliff Parkway and connect it to Harlan Street from about 94th Avenue to 98th Avenue (its current terminus). This street construction will provide a collector street connection from 92nd Avenue and Harlan Street changing to Westcliff Parkway through the Westcliff Subdivision, and tying ultimately to Church Ranch Boulevard.

In June of 1998, the City and U.S. Home Corporation reached agreement on the terms of acquisition of the Westcliff Park site. Several items involving the construction of Westcliff Parkway/Harlan Street were included in the Settlement Agreement. Per the Settlement Agreement, U.S. Home is to complete the street construction in 1999. In addition, the City agreed to exercise its power of eminent domain to acquire the necessary right-of-way and easements if U.S. Home failed in their negotiations with the property owners. Per the Settlement Agreement, U.S. Home will pay all the costs and fees associated with the right-of-way acquisition.

The street layout for the Westcliff Parkway connection to Harlan Street affects three ownerships. U.S. Home Corporation has dedicated the required right-of-way through their property. They are currently negotiating with a second property owner, Jim Hutton, for a temporary construction easement. Finally, a 24-foot wide strip of right-of-way with an additional 35-foot temporary construction easement is required from the Michas Brothers from 94th Avenue to 96th Avenue along Harlan Street. Since U.S. Home was not successful in their attempts to negotiate with the property owners, they have requested that the City step in to acquire the necessary right-of-way and easements.

Respectfully submitted,

William M. Christopher
City Manager

Attachments

RESOLUTION

RESOLUTION NO.

INTRODUCED BY COUNCILLORS

SERIES OF 1999

WHEREAS, the City of Westminster has determined that it is necessary for the public health, safety and welfare to acquire a certain parcels of land to accommodate the construction of the Westcliff Parkway/Harlan Street Project shown on the attached Exhibit "A"; and

WHEREAS, a property appraisal will be prepared by a professional appraisal company experienced in performing appraisals to determine the Fair Market Value of the property rights being acquired; and

WHEREAS, Legal Counsel for the City of Westminster deems it to be in the best interest of the City to acquire the property by the City's right of eminent domain should normal negotiations fail; and

WHEREAS, the City finds that if acquisition by eminent domain of the parcel described in this Resolution is commenced, immediate possession by the City may be necessary for the public health, safety, and welfare in order to keep the Westcliff Parkway/Harlan Street Project on schedule.

NOW, THEREFORE, the City Council of the City of Westminster resolves that:

1. The City Manager is hereby authorized to establish minimum just compensation for acquisition of property interests necessary to build the Westcliff Parkway/Harlan Street Project in the area shown in Exhibit A.
2. City Staff is authorized to proceed with negotiations to acquire the necessary property interests in the area shown on Exhibit A on the basis of the appraised value, or such higher value as is considered just and necessary to facilitate the acquisition and avoid the necessity of condemnation.
3. The City Manager is hereby authorized to acquire such property interests consistent with applicable law, including the execution of all documents necessary to complete these purchases.
4. The City Attorney of the City of Westminster is authorized to take all necessary legal measures to acquire the property interest in question, including proceeding with condemnation of the property in question against the owner or owners and any other persons or entities claiming an interest therein or thereto, and to take such further action as may be reasonably necessary for or incidental to the filing and diligent prosecution of any litigation or proceedings required to obtain property interests should normal negotiations fail. In the event that acquisition by condemnation is commenced, the City Attorney is further authorized to request a grant of immediate possession of the necessary property interests.

5. The City Manager shall be further authorized to incur reasonable costs associated with acquiring the property in question, including, without limitations, the cost of title examination, title insurance, appraisal fee payments mandated by statute, normal closing costs, filing fees and charges and all other related or incidental costs or expenses customarily associated with the acquisition or condemnation of property. All costs and fees will be reimbursed by U.S. Home Corporation per the Settlement Agreement dated June 16, 1998.

6. The City Engineer is hereby authorized to call for amendment of the legal description of the property to be acquired, and the nature of the interests to be acquired, including the commencement date and duration of any temporary easement, if necessary in the course of the project.

Passed and adopted this 12th day of July, 1999.

ATTEST:

Mayor

City Clerk



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Legal Services re Acquisition of Property within Westminster Plaza Redevelopment

Prepared By: Tony Chacon, South Westminster Revitalization Projects Coordinator
Tami Cannon, Paralegal

Introduction

City Council is requested to authorize a contract with Gorsuch Kirgis L.L.C. to provide legal services in connection with the valuation trial for the Sant' Antonio di Padova Society parcel related to the Westminster Plaza redevelopment.

Summary

In 1997, the City initiated eminent domain proceedings on several properties to be acquired for redevelopment of the Westminster Plaza Shopping Center. The City has reached settlement with all but one of the affected property owners, that being Sant' Antonio di Padova Society. Settlement negotiations have reached an impasse and a valuation trial before a board of commissioners has been scheduled in Adams County District Court. The City Attorney's Office is currently handling an extensive caseload of litigation and also has one attorney who is on extended leave. Accordingly, Staff proposes to contract with Malcolm Murray, Esq. of Gorsuch Kirgis L.L.C. to provide legal services through trial. Non-legal related expenses, i.e., appraiser and commissioners' fees, are expected to not exceed \$7,000 through trial. Funds are available for both legal and non-legal expenses in the Community Development budget.

Staff Recommendation

Authorize the City Manager to execute a contract with the law firm of Gorsuch Kirgis L.L.C. up to a limit of \$8,000 to provide legal services to the City of Westminster in connection with the valuation trial for the Sant' Antonio di Padova Society acquisition.

Background

In 1997, the City of Westminster initiated eminent domain proceedings to acquire land to redevelop the Westminster Plaza shopping center on the northwest corner of 72nd Avenue and Federal Boulevard. The acquisition involved a large parcel owned by Colorado and Santa Fe Land Co. and five (5) smaller parcels along 72nd Avenue. To accelerate redevelopment of the shopping center, the City took "immediate possession" of the properties. The City was ordered to deposit its appraised value of the property into the Court Registry pending settlement or a determination of total "just compensation."

To date, the City has reached a settlement with all but one property owner for this project. The City has been negotiating with Sant' Antonio di Padova Society for more than one year. Within that time, the City has made several offers, all of which have failed to produce an agreement. Therefore, a valuation trial has been set in Adams County District Court.

Mr. Malcolm Murray of Gorsuch, Kirgis, L.L.C. was hired by the City Council in 1996 as special legal counsel for eminent domain issues related to the redevelopment of the Westminster Plaza. He was involved in negotiations and the settlement reached with Colorado and Santa Fe Land Company relative to the eminent domain proceedings on the property. Mr. Murray's knowledge of the redevelopment project and expertise in eminent domain are of significant benefit in litigating the Sant' Antonio di Padova case through trial.

Respectfully submitted,

William M. Christopher
City Manager

Attachment: Contract for Legal Services

CONTRACT FOR LEGAL SERVICES

THIS AGREEMENT is made this _____ day of July, 1999, by and between GORSUCH KIRGIS L.L.C. (the "Firm") and the CITY OF WESTMINSTER (the "City").

RECITALS

1. The City is desirous of contracting with the Firm for legal services.
2. The Firm and its attorneys are authorized to practice law in the State of Colorado.

AGREEMENT

1. The Firm shall represent the City and furnish special condemnation legal services through trial in connection with the acquisition of the Sant' Antonio di Padova Society parcel for the Westminster Plaza redevelopment.

2. Malcolm M. Murray of the Firm shall be principally responsible for the Services.

3. The Firm is acting as an independent contractor; therefore, the City will not be responsible for FICA taxes, health or life insurance, vacation, or other employment benefits.

4. The City shall pay for the Services at the hourly rate not to exceed \$144 per hour.

5. This Contract may be terminated by the City with or without cause.

6. The Westminster City Council authorized this contract on July 12, 1999.

7. Payments pursuant to this Contract shall not exceed \$8,000.00 without further written authorization by the City.

GORSUCH KIRGIS L.L.C.

By _____
Malcolm M. Murray

CITY OF WESTMINSTER

By _____
Bill Christopher, City Manager



WESTMINSTER
COLORADO

Agenda Memorandum

Date: July 12, 1999

Subject: Northwest Area Recreation Center Construction

Prepared by: Philo Shelton, Park Project Engineer

Introduction

City Council action is requested on the attached Councillor's Bill for a supplemental appropriation of \$650,000, into the General Capital Improvement Project Fund which would increase the project account by \$650,000, for construction of the Northwest Area Recreation Center. The Supplemental funds consist of \$500,000 from Westfield Development Group and \$150,000 from Jefferson County Open Space 1999 Joint Venture grant.

City Council action is requested to 1) authorize the City Manager to amend the Construction Manager/General Contract (CMGC) contract with JHL Constructors, Inc. (JHL) to include the Guaranteed Maximum price of \$4,516,632 for construction of the Northwest Area Recreation Center; 2) authorize a Change Order with BBB Architects for \$40,000 for construction testing and special inspections; 3) Authorize a contract with Public Service Company for \$60,000 for exterior lighting for the recreation center; and 4) authorize a 7.0% construction project contingency of \$295,368. Funds for these expenses are available in the 1999 Northwest Area Recreation Center CIP account and \$210,000 of 1998 Park CIP Carryover Funds are recommended to be used for the project to fund the desired community room in the recreation center as previously discussed with City Council.

Summary

Westfield Development Group previously committed \$500,000 toward construction of the Northwest Area Recreation Center to assist with recreation facilities that partly serves the Westmoor Business Park. In December 1998, Staff applied for a \$200,000 Jefferson County Open Space (JCOS) Joint Venture Grant to help fund the landscaping portion of the recreation center and the City was awarded \$150,000 from JCOS.

Staff decided to use the CMGC contract for this project to help control costs. The CMGC contract has a lump sum design phase fee where the contractor provides value engineering and accurate cost estimates for the project prior to entering into the construction phase. This helps to eliminate the unknowns of the general bidding process, allows the contractor to understand the project in detail before finalizing prices for the project, and minimizes the need for change orders in the project. The construction phase fee includes the contractor's overhead, profit, salaries and expenses for the office support staff such as the project manager, project engineer and project administrator. These fees, based on 3.95% of the construction costs, are fixed to help control administrative costs, overhead, and profit. Prior to the start of the construction phase, the contractor is required to establish a guarantee maximum price (GMP) for the project.

The GMP (\$4,516,632) is based on the cost of work (\$4,242,961), construction phase contractor's fee (\$167,597), plus a 2.5% contractor's contingency(\$106,074). The contractor is required to guarantee to build this project within the GMP. JHL received three to five subcontractor bids on all the major work items. Staff has reviewed all the subcontractor's bids and qualifications prior to the contractor establishing the GMP.

This helps to establish if the costs are reasonable and control the quality of subcontractors selected for this project that a normal bid process would not allow. Finally, after the GMP is established, if the Contractor can find cost savings in the project during the construction phase and with owner's approval, there is an incentive clause stipulating that the contractor would receive 25% of these savings and the City would keep the other 75% of this amount. On the other hand, any over runs in the GMP require the contractor to absorb these costs. City Council's approval of the GMP is required prior to start of the construction phase.

Presently, the project is maintaining a 9.5% contingency on construction costs that includes the contractor's and owner's contingency of 2.5% and 7.0% respectively. To accomplish this level of contingency, \$260,000 of 1998 Park CIP carryover money would need to be included in the budget. If City Council would decide not to use 1998 Carryover funds for this project, then the community room costing approximately \$260,000 would have to be deleted from the project to maintain a 10% contingency for the project.

Other costs to the project are construction testing for earthwork and concrete, and special inspections for steel and masonry. These services will be provided through BBB Architects for \$40,000. Public Service Company shall install parking lot lighting and recreation center entry lighting for a cost of \$60,000.

Staff Recommendation

1. Pass Councillor's Bill No. 39 on first reading appropriating \$650,000 into the General Capital Improvement Fund, increasing the project budget by \$650,000, and authorize the use of these funds for construction of the Northwest Area Recreation Center.
2. Authorize the City Manager to amend the contract with JHL Constructors, Inc. in the amount of \$4,516, 632 as the Guaranteed Maximum Price (GMP) for construction phase of the Northwest Area Recreation Center; authorize the City Manager to execute a change order with BBB Architect for \$40,000 to provide construction testing and special inspections for the project; authorize a contract with Public Service Company in the amount of \$60,000 for exterior lighting at the Northwest Area Recreation Center; and authorize a 7.0% construction contingency in the amount of \$295,368 for the project and charge all expenses for this project to the appropriate project account in the General Capital Improvement Fund.

Background

In 1994, the City of Westminster determined a need to either renovate and expand the Countryside Recreation Center or construct a new recreation center in the northwest area of the City. Preliminary planning included citizen surveys, public meetings, conceptual drawings, etc. for a phased project. The new site location, donated by Westfield Development, Inc., on the north side of 108th Avenue, west of Oak Street was presented at a public hearing on the office park, and concurrence was given by City Council on the proposed site (see attached site location map).

In September 1997, City Council directed Staff to formalize a contract with BBB Architects to develop design documents, specifications, and bid documents for the construction of a new recreation center in the northwest area of the City. Originally, City Council authorized the City Manager to sign a contract with BBB Architects for the renovation of the existing Countryside Recreation Center. Immediately following City Council's authorization, but prior to the actual signing of the contract documents, Staff learned of the possibilities of a cooperative recreation center project being proposed by the developer of the Westmoor Business Park.

BBB Architects was notified and later submitted a letter proposing to honor the same contract for the design, construction documents, specifications, and bid documents for a new recreation center at another location.

City Staff held residents' meetings to receive input on the proposed Northwest Area Recreation Center. In addition to those meetings, a comprehensive survey was mailed out to approximately 3,000 residents of the Countryside area. Results of the survey were compiled and presented at a community meeting held in January 1998.

Summary results from the survey revealed that citizens favored locating the new recreation center on the north side of 108th Avenue, just west of Oak Street. People who responded also favored a facility that included a gymnasium, indoor track, exercise room, lockers and showers, aerobics, childcare, and multipurpose room. A task force representing individuals from different neighborhoods within the service area of the new recreation center was selected to review design alternatives and provide input to City Staff. The task force meeting held on May 6, 1998, reached a consensus on the design alternatives that were presented. A community-wide meeting was then scheduled on June 22, 1998 to present the recommendations of the task force and City Staff, and the design recommendation was well received.

Staff prequalified and invited six contractors to interview for the Northwest Area Recreation Center CMGC Contract and four contractors responded to the City's request for proposals. All four contractors were interviewed by Parks, Recreation and Libraries Staff, Bill Bowen with BBB Architects, and Anne Hayes with Westfield Development, Inc. While all the contractors were qualified to perform the work, the interview team selected JHL for the project. JHL demonstrated value engineering ideas in their interview that keeps the original design in tact while realizing a project cost savings by identifying cost effective construction processes, techniques, and coordination of subcontractors. Project references were checked and it was determined that JHL brought their projects in within both the project schedule and budget and came highly recommended.

During the Pre-construction Phase, JHL identified value engineering items. The largest value engineering item selected was to change the roofing material from standing seam metal roof to a thick fiberglass shingle roof for a savings of \$102,500. Other items include revised guard rail detail, masonry detail, and package boiler. In total, the value items selected totaled \$146,527 for the project. Based on the recommendations of the geotechnical company, the soils on site are of a quality where a three foot structural fill and slab on grade system of construction will work for this site. This design saves considerable expense since a structural floor is not required.

Phase I funds available are from the following sources; \$250,000 of 1996 Westminster CIP funds, \$4.0 million of Parks, Open Space and Trails (POST) bond money, \$200,000 of 1999 Westminster CIP funds, \$210,000 to come from 1998 carryover CIP funds, a \$500,000 contribution from Westfield Development Inc., a \$150,000 JCOS Joint Venture Grant and a 7.0 acre land contribution from the Westmoor developer. This \$5.31 million recommended budget is divided as follows:

Design Fees	\$ 320,000
Off Site Drainage Work	\$ 43,000
Preconstruction Phase Costs	\$ 35,000
Public Service Company Lighting	\$ 60,000
Construction Testing/Special Inspections	\$ 40,000
Building Construction Costs, GMP (34,200 SF @ \$124/SF)	\$4,242,961
Contractor's Construction Phase Fee (3.95% of Building Construction)	\$ 167,597
Contractor's Contingency (2.5% of Building Construction)	\$ 106,074
Owner's Contingency (7.0% of Building Construction)	<u>\$ 295,368</u>
Total Project Budget	\$5,310,000

Other project costs to be programmed in the 2000 CIP request include \$250,000 for furniture and equipment and \$85,500 in tap fees for both water and sewer taps. These items are budgeted for next year since these project expenses would occur in the year 2000. Based on a notice of award on July 13, 1999, the Northwest Area Recreation Center is anticipated to be completed in June of 2000.

Also a 3.0 mill property tax for maintenance/operations of the recreation center to be collected from each property owner in the Westmoor development will be available once the Center is open.

Alternative

City Council could have Staff to bid this project under the traditional bidding process. However, a traditional bidding process would not allow for value engineering of the project, selection of a qualified subcontractor, and establishment of construction costs that will fit within the project's construction budget. Most well-established contractors in today's construction market are no longer interested in participating in a sealed bid process. Furthermore, a traditional bid would delay the project by another two months.

Respectfully submitted,

William M. Christopher
City Manager

Attachments: Project Area Map
Councillor's Bill

BY AUTHORITY

ORDINANCE NO.
SERIES OF 1999

COUNCILLOR'S BILL NO. _____
INTRODUCED BY COUNCILLORS

A BILL

FOR AN ORDINANCE AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO INCREASE THE 1999 BUDGET OF THE GENERAL CAPITAL IMPROVEMENT FUND

THE CITY OF WESTMINSTER ORDAINS:

Section 1. The 1999 appropriation for the General Capital Improvement Fund, initially appropriated by Ordinance No. 2654 in the amount of \$14,159,000 is hereby increased by \$650,000 which, when added to the fund balance as of the City Council action on July 26, 1999, will equal \$14,756,374. The actual amount in the General Capital Improvement Fund on the date this ordinance becomes effective may vary from the amount set forth in this section due to intervening City Council actions. This increase is due to the appropriation of a \$150,000 Jefferson County Open Space Joint Venture grant and \$500,000 Westfield Development Group contribution for construction of the Northwest Area Recreation Center.

Section 2. The \$650,000 increase in the General Capital Improvement Fund shall be allocated to City Revenue and Expense accounts, which shall be amended as follows:

<u>Description</u>	<u>Current Budget</u>	<u>\$Increase</u>	<u>Final Budget</u>
<u>REVENUES</u>			
Intergovernmental-Jefferson County Open Space			
75-0420-020	\$ 0	\$ 500,000	\$ 500,000
Business Contributions			
75-1108-000	523,000	<u>150,000</u>	673,000
Total Change to Revenues		\$ <u>650,000</u>	
<u>EXPENSES</u>			
Northwest Area Recreation Center Project			
75-50-88-555-381	\$3,740,572	\$ <u>650,000</u>	\$4,390,572
Total Change to Expenditures		<u>\$650,000</u>	

Section 3 - Severability. The provisions of this Ordinance shall be considered as severable. If any section, paragraph, clause, word, or any other part of this Ordinance shall for any reason be held to be invalid or unenforceable by a court of competent jurisdiction, such part shall be deemed as severed from this Ordinance. The invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect the construction or enforceability of any of the remaining provisions, unless it is determined by a court of competent jurisdiction that a contrary result is necessary in order for this Ordinance to have any meaning whatsoever.

Section 4. This ordinance shall take effect upon its passage after the second reading and shall be published in full within ten days after its enactment.

INTRODUCED, PASSED ON FIRST READING, AND TITLE AND PURPOSE ORDERED PUBLISHED this 12th day of July, 1999. PASSED, ENACTED ON SECOND READING, AND FULL TEXT ORDERED PUBLISHED this day of July 1999.

ATTEST:

Mayor

City Clerk

Summary of Proceedings

Summary of Proceedings of the regular City Council meeting held Monday, July 12, 1999.

Present at roll call were Mayor Heil, Mayor Pro Tem Merkel and Councillors Allen, Atchison, Hicks and Smith. Absent was Councillor Dixon.

The minutes of the meeting of June 28, 1999 were approved with no additions or corrections.

The Mayor presented a proclamation to Jon Chandler in recognition of his winning the prestigious 1999 Spur Award from the Western Writers of America.

The first public hearing on the 2000 City Budget was held.

Council set the date of August 9, 1999 for a public hearing on the Foster property annexation and zoning.

Council approved the following: Amherst Park Construction Contract; Design Services for Sewer Lines under US 36 and Wadsworth Parkway; Design Bids for Municipal Service Center Gasoline Recovery System; Project Management of Municipal Service Center Gasoline Recovery System; Heritage Golf Course Clubhouse Kitchen Equipment Purchase; Ambulance Billing Contract; Northwest Area Recreation Center Contracts; and Legal Services contract for property acquisition within Westminster Plaza.

Council Tabled the second reading of Councillor's Bill No. 33, Foster property annexation; Councillor's Bill No. 34, Comprehensive Land Use Plan amendment for the Foster property; and Councillor's Bill No. 36, Foster property zoning until August 9, 1999.

The following Councillor's Bills were introduced and passed on first reading:

A BILL FOR AN ORDINANCE AUTHORIZING AN AMENDED ASSISTANCE AGREEMENT WITH LUCENT TECHNOLOGIES. Purpose: Extend completion date from August 1 to December 31, 2001.

A BILL FOR AN ORDINANCE INCREASING THE 1999 BUDGET OF THE GENERAL CAPITAL IMPROVEMENTS FUND AND AUTHORIZING A SUPPLEMENTAL APPROPRIATION FROM THE 1999 ESTIMATED REVENUES IN THE FUND. Purpose: Appropriate Great Outdoors Colorado Grant Award.

A BILL FOR AN ORDINANCE AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO INCREASE THE 1999 BUDGET OF THE GENERAL CAPITAL IMPROVEMENT FUND. Purpose: Appropriation for Northwest Area Recreation Center Construction.

The following Councillor's Bill was passed and adopted on second reading:

A BILL FOR AN ORDINANCE AUTHORIZING A SUPPLEMENTAL APPROPRIATION TO INCREASE THE 1999 BUDGET OF THE GENERAL CAPITAL IMPROVEMENT FUND.

The following Resolutions were adopted:

Resolution No. 46 – Temporary Storage at Rocky Flats Environmental Technology Site.

Resolution No. 47 – Contract for Standley Lake Regional Park Development.

Resolution No. 48 – Acquisitions for Westcliff Parkway/Harlan Street construction.

At 9:10 P.M. the meeting was adjourned.

By order of the Westminster City Council

Michele Kelley, CMC, City Clerk

Published in the Westminster Window July 22, 1999.