CITY COUNCIL WORK SESSION
Monday, August 2, 2021 - 10:00 AM
City Council Chambers of the Elks Civic Building - 107 S. Cascade Avenue

Public participation for this meeting will be in person in the City Council Chambers and via Zoom at the following link: https://us02web.zoom.us/webinar/register/WN_i3TUVUUpQSeJsXAwvZbyog. Additional access details are available at the end of the agenda.

1) DISCUSSION ITEMS

A) MURA Phase II Public Infrastructure Change Order Number 1 (10 Minutes)
Staff: City Engineer Scott Murphy **2-3**

B) Montrose Public Safety Complex Construction Contract Amendment (20 minutes)
Staff: City Manager Bill Bell, Ty Withee (Shaw Construction), Peter Icenogle (Blythe Group), Reilly O'Brien (Dynamic Program Management), Public Works Manager Jim Scheid **4-8**

C) American Rescue Plan Act (ARPA) Funding (15 minutes)
Staff: Community Program Manager Kendall Cramer **9-11**

2) GENERAL CITY COUNCIL DISCUSSION

3) STAFF COMMENTS

**Please note that the times listed are estimates of approximately how long each item may take. This time is intended to serve as a guide for the Mayor in an effort to help keep the meeting moving.*

**Hearing assistance devices are available for public use. Please let us know if you need accommodation.*

FUTURE TOPICS

- Planning Commission Alternate Applicant Interviews - August 16
- Alcohol Permit for Dinner on Main Street - August 16
- McCracken Addition Annexation - August 16
- Police Alarm Systems Municipal Code Updates - August 16
- Riverbend RV Park Right of Way Exchange - September 7
- Riverbend RV Park Addition II Annexation - September 7
- Suicide Prevention Month Proclamation - September 7
- Planning Commission Alternate Appointment - September 7
- Special Meeting/Executive Session - September 7

Zoom Meeting Details
https://us02web.zoom.us/webinar/register/WN_i3TUVUUpQSeJsXAwvZbyog
Join by phone:
1 253 215 8782
1 346 248 7799
1 669 900 9128
1 301 715 8592
1 312 626 6799
1 646 558 8656
Webinar ID: 870 6197 6415
International numbers available: https://us02web.zoom.us/u/kcY6JUcNlf

CHANGE ORDER CONSIDERATION

TO: Honorable Mayor and Members of the City Council
FROM: Scott Murphy, *City Engineer*
DATE: July 25, 2021
RE: Montrose Urban Renewal Authority Phase II Public Infrastructure Construction Change Order No. 1
CC: William Bell, Shani Wittenberg

Action

Consider the award of a contract change order in the amount of $94,668.00 to Mountain Valley Contracting for piping of the Rice Ditch within the Montrose Urban Renewal Authority Phase II Public Infrastructure Construction Project.

Background

The Rice Ditch is an open irrigation ditch originally built in the 1880's that diverts water from the Uncompahgre River and runs through the Montrose Urban Renewal Authority as shown in the attached Figure 1. The Ditch supplies irrigation water to the City of Montrose's Taviwach Park and several industrial users as far north as LaSalle Road.

As part of the master planning efforts for the Montrose Urban Renewal Authority, it was always anticipated that the Rice Ditch would be piped concurrent with each phase of construction in order to improve safety for pedestrians in the area, improve soil groundwater conditions (not saturate parking lots and foundations), and reduce maintenance obligations. However, during design of the Basecamp Apartments, the developer of the site was working to avoid this cost and envisioned constructing the Rice Ditch as a landscaped water feature instead. As a result, the City did not include any piping of the ditch with the Phase II public infrastructure project design and original bidding.

As the developer's Basecamp project design continued to progress following bidding and award of the City's public infrastructure project, it became apparent to the developer that piping of the ditch would become necessary for all of the reasons originally envisioned by the City. To that end, this change order is to add this piping back into the City-project scope of work. The will include approximately 650 linear feet of 30 inch HDPE pipe, a headwall structure, debris screen, and concrete restraint collars. Costs for the work are summarized in Table 1 and were established based on negotiations with the contractor.

TABLE 1
MURA PHASE II PUBLIC INFRASTRUCTURE CHANGE ORDER 1
Cost Breakdown

Work Element	Cost
30" SDR 32.5 HDPE Pipe (650 LF)	$78,357.50
Precast Headwall and Debris Screen	$13,632.50
Concrete Restraint Collars	$2,678.00
TOTAL	**$94,668.00**

This change order would be to the original $1.08M MURA Phase II Public Infrastructure contract awarded to Mountain Valley Contracting by City Council on May 4, 2021. This change order is in addition to the standard

10% contingency initially awarded with the project as these funds may still be necessary for other out-of-scope work items.

Contract Administration and Project Financials

Contract administration and general project management will continue to be performed by the City of Montrose engineering department. The original contract award was over $1M under budget due to cost savings and scope reductions that were realized between initial budgeting and final design. With this change order, the project will still remain approximately $965k under budget.

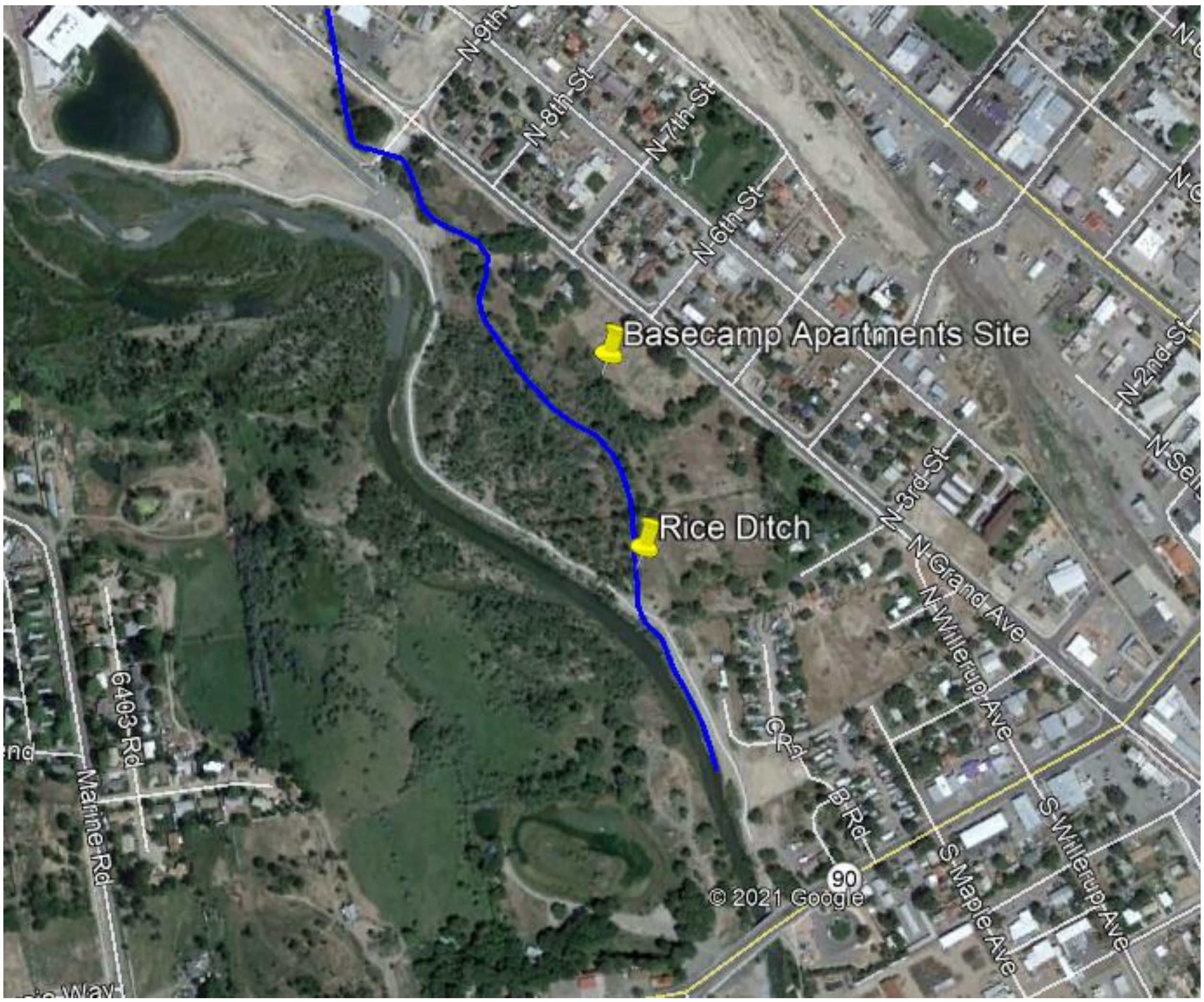

Figure 1: Rice Ditch through Montrose Urban Renewal Authority

CONTRACT AMENDMENT RECOMMENDATION

TO: Honorable Mayor and Members of the City Council
FROM: William Bell, City Manager; Blaine Hall, Police Chief;
Jim Scheid, Public Works Manager
DATE: **August 2, 2021**
RE: Montrose Public Safety Complex Construction Contract Amendment
CC: Ann Morgenthaler, Shani Wittenberg

Action

Consider the authorization of a $1,830,805.00 amendment to the authorized funding to be used toward the construction of the Montrose Public Safety Complex (MPSC).

Background

In February of this year City Council authorized a total of $16,212,884.00 to be used toward the construction of the MPSC. $15,274,434.00 of the total was for SHAW's contract. This amount was calculated from Design Development design documents in December of 2020. Since that time there have been unprecedented increases to all construction material markets. Although there was a contingency included specifically for escalation the amount of increase noticed over the last seven months has exceeded the contingency that was included at that time. There are challenges in material and contractor availability as well that have complicated the process of Value Engineering.

Work on the construction project began in March of 2021 and most of the work to be completed in deep foundations and utilities is done at this time. During the underground work there was a substantial amount of unsuitable soils encountered. This unforeseen condition consumed a significant amount of the contingency allocated in the initial authorization.

The construction team has put this proposal together to be able to award the complete construction Guaranteed Maximum Price (GMP) to SHAW Construction, to reestablish the Owner's Contingency and to accept an Add Alternate that is important to the project.

The Add Alternate that is being proposed to be added at this time and to be included in the SHAW contract amount is for the planter seat walls to be included around the front of the new building to resemble the same style of planter seat walls that are around the front of City Hall which is across the street. These also offer added security to the building and tie into the existing historic civic campus. Adding the planter seat walls at a later date would be cost prohibitive and disruptive to operations and public access.

This amendment would increase the SHAW contract amount to $16,595,215.00 and the Owner's Contingency to $1,161,665.00. This is shown in the documents attached.

Documents included;

- The **Design Development Budget** shows a breakdown of the estimate into the major categories of the construction process. This estimate was provided by SHAW's pre-construction team and is the basis for the funds authorized as part the initial recommendation in February. This estimate is also where the anticipated hard costs such as utility undergrounding, permitting and contingencies were included.

- The **GMP Budget** shows a breakdown of the construction contract budget in the same format as the Design Development Budget.

Contract Administration and Project Financials

This project is funded by the Public Safety Fund which is comprised of funding from the Certificates of Participation that were borrowed for the construction of this project, City of Montrose Public Safety Sales Tax and General Fund contribution.

Group	Phase	Description	Takeoff Quantity	Total Cost/Unit	Total Amount	Notes
001000		GENERAL CONDITIONS	37,021.00 gsf	23.82 /gsf	881,849	
002000		SITEWORK	37,021.00 gsf	42.44 /gsf	1,571,022	
003000		CONCRETE	37,021.00 gsf	20.95 /gsf	775,407	
004000		MASONRY	37,021.00 gsf	33.03 /gsf	1,222,768	
005000		METALS	37,021.00 gsf	19.94 /gsf	738,193	
006000		WOOD & PLASTICS	37,021.00 gsf	2.52 /gsf	93,107	
007000		THERMAL/MOISTURE PROTEC'N	37,021.00 gsf	17.09 /gsf	632,592	
008000		DOORS & WINDOWS	37,021.00 gsf	23.91 /gsf	885,292	
009000		FINISHES	37,021.00 gsf	38.56 /gsf	1,427,444	
010000		SPECIALTIES	37,021.00 gsf	8.02 /gsf	296,821	
011000		EQUIPMENT	37,021.00 gsf	6.65 /gsf	246,029	
012000		FURNISHINGS	37,021.00 gsf	1.40 /gsf	51,670	
013000		SPECIAL CONSTRUCTION	37,021.00 gsf	0.07 /gsf	2,500	
014000		CONVEYING SYSTEMS	37,021.00 gsf	2.30 /gsf	85,000	
015000		MECHANICAL	37,021.00 gsf	58.70 /gsf	2,172,992	
016000		ELECTRICAL	37,021.00 gsf	51.73 /gsf	1,915,197	
018000		ALLOWANCES			488,500	

Estimate Totals

Description	Amount	Totals	Rate	
	13,486,383	13,486,383		
Material SalesTax - Exempt				
General Liability	91,647		0.600 %	
Builders Risk - 15 Months	19,500			
Warranty Reserve for 2 year warranty	30,549		0.200 %	
P & P Bond	76,372		0.500 %	
	218,068	13,704,451		
Estimating/Escalation Contngcy	685,223		5.000 %	
Construction Contingency	411,134		3.000 %	
Contractor Fee	473,626		3.200 %	
Total		***15,274,434***		***412.588 /GSF***
Utilities (Gas, Electric, Fiber, Copper, & Water)		$200,000		
Permit Fees		$95,110		
Owner Contingency		$643,340		
Grand Total		$16,212,884		

Group	Phase	Description	Takeoff Quantity	Total Cost/Unit	Total Amount
001000		GENERAL CONDITIONS	37,021.00 gsf	23.82 /gsf	881,849
002000		SITEWORK	37,021.00 gsf	42.98 /gsf	1,591,294
003000		CONCRETE	37,021.00 gsf	23.10 /gsf	855,234
004000		MASONRY	37,021.00 gsf	34.32 /gsf	1,270,521
005000		METALS	37,021.00 gsf	28.03 /gsf	1,037,770
006000		WOOD & PLASTICS	37,021.00 gsf	7.95 /gsf	294,203
007000		THERMAL/MOISTURE PROTEC'N	37,021.00 gsf	15.64 /gsf	578,913
008000		DOORS & WINDOWS	37,021.00 gsf	23.68 /gsf	876,571
009000		FINISHES	37,021.00 gsf	51.45 /gsf	1,904,692
010000		SPECIALTIES	37,021.00 gsf	14.35 /gsf	531,283
011000		EQUIPMENT	37,021.00 gsf	6.57 /gsf	243,144
012000		FURNISHINGS	37,021.00 gsf	1.42 /gsf	52,670
013000		SPECIAL CONSTRUCTION			
014000		CONVEYING SYSTEMS	37,021.00 gsf	1.89 /gsf	70,000
015000		MECHANICAL	37,021.00 gsf	65.17 /gsf	2,412,627
016000		ELECTRICAL	37,021.00 gsf	62.08 /gsf	2,298,259
018000		ALLOWANCES			398,107
019000		BP 1 & 2 ADDED SCOPE			44,109

Estimate Totals

Description	Amount	Totals	Rate	
	15,341,245	15,341,245		
Material SalesTax - Exempt				
General Liability	99,571		0.600 %	
Builders Risk - 15 Months	19,500			
Warranty Reserve				
P & P Bond	82,976		0.500 %	
	202,047	15,543,292		
Seat Walls at Planters	68,975			
	68,975	15,612,267		
Estimating/Escalation Contngcy				
Construction Contingency	468,368		3.000 %	
Contractor Fee	514,580		3.200 %	
SHAW *Total*		***16,595,215***		***448.265 /GSF***
Utilities (Gas, Electric, Fiber, Copper, Water)		$200,000		
Permit Fees		$86,809		
Owner Contingency		$1,161,665		
Grand Total		**$18,043,689**		


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CITY OF MONTROSE

MEMO

Kendall E. Cramer, Community Program Manager
Direct Dial: 970.497.8531
E-mail: kcramer@cityofmontrose.org

DATE: July 28, 2021
TO: Montrose City Council
FROM: Kendall Cramer, Grant Coordinator
RE: American Rescue Plan Act of 2021 (ARPA) Funds

In response to the COVID-19 Pandemic, the 117th United States Congress passed the American Rescue Plan Act of 2021 (ARPA), also known as the American Rescue Plan, on March 11, 2021. As part of the Act, the U.S. Treasury launched the Coronavirus State and Local Fiscal Recovery Funds program to distribute $350 billion to state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The City of Montrose's total allocation of ARPA funds is $4,972,200.85. ARPA funds are distributed in two tranches. The city has received its first tranche of $2,486,100.43 and anticipates to receive the second tranche in May/June 2022. All funds must be incurred by December 31, 2024 and expended by December 31, 2026.

The scope of eligible uses for ARPA funds is broad, providing local governments with greater latitude than previous stimulus funding to spend funds according to community-based needs. ARPA funds must be used in one of the four eligible use categories specified in the Act and implemented in the U.S. Treasury's Interim Final Rule. These categories are as follows:

a) To respond to the public health emergency or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

b) To respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers;

c) For the provision of government services to the extent of the reduction in revenue due to the COVID–19 public health emergency relative to revenues collected in the most recent full fiscal year prior to the emergency; and

d) To make necessary investments in water, sewer, or broadband infrastructure.

Attached with this memo is the U.S. Treasury's Quick Reference Guide which includes examples of potential uses of funds. All funding decisions must be supported by data that may be requested by the U.S. Treasury during required annual reporting.

City staff seek direction on how to best utilize our ARPA funds for the benefit of the community.

U.S. DEPARTMENT OF THE TREASURY

Coronavirus State and Local Fiscal Recovery Funds

The American Rescue Plan will deliver $350 billion for state, local, territorial, and Tribal governments to respond to the COVID-19 emergency and bring back jobs.

The Coronavirus State and Local Fiscal Recovery Funds provide a substantial infusion of resources to help turn the tide on the pandemic, address its economic fallout, and lay the foundation for a strong and equitable recovery.

Funding Objectives

- **Support urgent COVID-19 response efforts** to continue to decrease spread of the virus and bring the pandemic under control
- **Replace lost public sector revenue** to strengthen support for vital public services and help retain jobs
- **Support immediate economic stabilization** for households and businesses
- **Address systemic public health and economic challenges** that have contributed to the inequal impact of the pandemic

Eligible Jurisdictions & Allocations

Direct Recipients

- States and District of Columbia ($195.3 billion)
- Counties ($65.1 billion)
- Metropolitan cities ($45.6 billion)
- Tribal governments ($20.0 billion)
- Territories ($4.5 billion)

Indirect Recipients

- Non-entitlement units ($19.5 billion)

Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector

Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic

Premium Pay for Essential Workers

Offer additional support to those who have and will bear the greatest health risks because of their service in critical infrastructure sectors

Water and Sewer Infrastructure

Make necessary investments to improve access to clean drinking water and invest in wastewater and stormwater infrastructure

Broadband Infrastructure

Make necessary investments to provide unserved or underserved locations with new or expanded broadband access

For More Information: Please visit www.treasury.gov/SLFRP

For Media Inquiries: Please contact the U.S. Treasury Press Office at (202) 622-2960

For General Inquiries: Please email SLFRP@treasury.gov for additional information

Example Uses of Funds

Support Public Health Response

- **Services to contain and mitigate the spread of COVID-19,** including vaccination, medical expenses, testing, contact tracing, quarantine costs, capacity enhancements, and many related activities
- **Behavioral healthcare services**, including mental health or substance misuse treatment, crisis intervention, and related services
- **Payroll and covered benefits** for public health, healthcare, human services, and public safety staff to the extent that they work on the COVID-19 response

Address Negative Economic Impacts

- **Deliver assistance to workers and families**, including support for unemployed workers, aid to households, and survivor's benefits for families of COVID-19 victims
- **Support small businesses** with loans, grants, in-kind assistance, and counseling programs
- **Speed the recovery of impacted industries**, including the tourism, travel, and hospitality sectors
- **Rebuild public sector capacity** by rehiring staff, replenishing state unemployment insurance funds, and implementing economic relief programs

Replace Public Sector Revenue Loss

- **Ensure continuity of vital government services** by filling budget shortfalls
- **Revenue loss is calculated** relative to the expected trend, beginning with the last full fiscal year pre-pandemic and adjusted annually for growth
- **Recipients may re-calculate revenue loss** at multiple points during the program, supporting those entities that experience revenue loss with a lag

Premium Pay for Essential Workers

- **Provide premium pay to essential workers**, both directly and through grants to third-party employers
- **Prioritize low- and moderate-income workers**, who face the greatest mismatch between employment-related health risks and compensation
- **Key sectors include** healthcare, grocery and food services, education, childcare, sanitation, and transit
- **Must be fully additive** to a worker's wages

Water & Sewer Infrastructure

- **Includes improvements to infrastructure**, such as building or upgrading facilities and transmission, distribution, and storage systems
- **Eligible uses aligned to Environmental Protection Agency project categories** for the Clean Water State Revolving Fund and Drinking Water State Revolving Fund

Broadband Infrastructure

- **Focus on households and businesses** without access to broadband and those with connections that do not provide minimally acceptable speeds
- **Fund projects that deliver reliable service** with minimum 100 Mbps download / 100 Mbps upload speeds unless impracticable
- **Complement broadband investments** made through the Capital Projects Fund

Equity-Focused Services

- **Additional flexibility for the hardest-hit communities and families** to address health disparities, invest in housing, address educational disparities, and promote healthy childhood environments
- **Broadly applicable** to Qualified Census Tracts, other disproportionately impacted areas, and when provided by Tribal governments

Ineligible Uses

- **Changes that reduce net tax revenue** must not be offset with American Rescue Plan funds
- **Extraordinary payments into a pension fund** are a prohibited use of this funding
- **Other restrictions apply** to eligible uses

The examples listed in this document are non-exhaustive, do not describe all terms and conditions associated with the use of this funding, and do not describe all the restrictions on use that may apply. The U.S. Department of the Treasury provides this document, the State and Local contact channels, and other resources for informational purposes. Although efforts have been made to ensure the accuracy of the information provided, the information is subject to change or correction. Any Coronavirus State and Local Fiscal Recovery Funds received will be subject to the terms and conditions of the agreement entered into by Treasury and the respective jurisdiction, which shall incorporate the provisions of the Interim Final Rule and/or Final Rule that implements this program.