



Randy Winkler, Mayor
Jay Miller, Mayor Pro Tem
Richard Carter, Councilor
Barbara Clifton, Councilor
Dirk Myers, Councilor
Hans Parkinson, Councilor
Jonathan Rice, Councilor

City Hall
City Council Chambers
202 Railroad Avenue
Rifle, CO

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Comcast Channel 10

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SPECIAL MEETING
June 25, 2014, 6:00 PM
COUNCIL CHAMBER

The City Council may take action on any of the following agenda items as presented or modified prior to or during the meeting, and items necessary or convenient to effectuate the agenda items.

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|-----------|----|---|
| 6:00 p.m. | 1. | Special Meeting Call to Order and Roll Call |
| 6:05 p.m. | 2. | Executive session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) (Matt Sturgeon) |
| 7:35 p.m. | 3. | Consider action on bids to construct Rifle Regional Water Purification Facility (RRWPF) |
| 7:45 p.m. | 4. | Consider authorizing staff to utilize sole source procurement for the construction of the RRWPF – Resolution No. 10, Series of 2014 |
| 7:55 p.m. | 5. | Consider action to award purchase of membranes to Pall and authorize staff to retain Pall to prepare drawings necessary to place membranes in RRWPF |
| 8:10 p.m. | 6. | Consider action to award additional geotechnical services for closure of water impoundment and design of drying beds |
| 8:20 p.m. | 7. | Consider authorizing return of Department of Local Affairs (DOLA) grant awarded to construct waterline to south Rifle |
| 8:30 p.m. | 8. | Consider authorizing the submittal of a DOLA Tier II grant for the procurement of the Pall membranes – Resolution No. 11, Series of 2014 |

The order and times of agenda items listed above are approximate and intended as a guideline for the City Council.

Next Regular Meeting of Council: July 2, 2014 at 7:00 p.m.

CITY OF RIFLE, COLORADO
RESOLUTION NO. 10
SERIES OF 2014

A RESOLUTION OF THE CITY OF RIFLE, COLORADO DECLARING AN
EMERGENCY AND AUTHORIZING THE PURCHASING AGENT TO UTILIZE
SOLE SOURCE PROCUREMENT FOR THE CONSTRUCTION OF THE RIFLE
REGIONAL WATER PURIFICATION FACILITY

WHEREAS, the City of Rifle, Colorado (the "City") advertised bids for the construction of the Rifle Regional Water Purification Facility ("RRWPF") (the "Project") pursuant to the Rifle Municipal Code ("RMC") and the resulting best value bid received exceeded the City's budget by more than \$8,000,000; and

WHEREAS, the City's existing water treatment plant has reached its maximum production capacity and cannot be expanded, it is at the end of its design lifespan, spare parts are not readily available, and the facility cannot be upgraded to meet anticipated Colorado Department of Public Health and Environment future regulations, creating the urgent need for the RRWPF; and

WHEREAS, the current situation and status of the City's existing water plant creates an emergency to public health and safety with components failing or near failure, including but not limited to tube settler modules collapsing, partial failure of disinfection equipment, and a loss of one of two backwash carriage controller drastically reducing capacity, all of which impede the City's ability to provide potable water to its citizens and a catastrophic failure of an integral component of the existing water plant would disrupt water service in the City for an unknown duration; and

WHEREAS, the City obtained a historically low interest loan from the Colorado Water Resources Development and Power Authority ("CWRDPA") in 2012 to fund the Project and the delay in constructing the RRWPF puts that financing in jeopardy; and

WHEREAS, the amount of time to redesign the RRWPF to meet the City's budget and competitively bid the project again during a period of rapidly increasing market conditions would reduce the City's ability to gain maximum cost savings through such redesign and further delay the Project increasing the likelihood of catastrophic failure of the existing water plant and jeopardize the CWRDPA loan; and

WHEREAS, pursuant to RMC Section 4-3-80, upon a majority vote, the City Council may approve a waiver of any of the provisions of the Purchasing Code after consideration of the particular facts and circumstances necessitating the request for waiver and all of the procurement procedures may be modified to prevent the loss of any gift or grant to the City; and

WHEREAS, the City Council finds an emergency exists and that it is necessary to expedite the bidding of the Project and commence construction of the RRWPF.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RIFLE, COLORADO, THAT:

1. The foregoing recitals are incorporated herein as findings of the City Council.

2. The City Council of the City of Rifle hereby authorizes the City's Purchasing Agent to utilize sole source procurement for the Rifle Regional Water Purification Facility Project for the City Council's consideration and award in a manner that is most expeditious to commence construction of the Project and achieve the best value for the City.

THIS RESOLUTION was read, passed, and adopted by the Rifle City Council at a special meeting held this 25th of June, 2014.

CITY OF RIFLE, COLORADO

By _____
Mayor

ATTEST:

City Clerk

UTILITY DEPARTMENT
INTEROFFICE MEMO



H2O Water

TO: City Council

**FROM: Jim Miller, Resident Engineer
Dick Deussen, Director of Utilities**

DATE: June 23, 2014

RE: RRWPF

- 1) Membrane Supplier -- Award and NTP with Drawing Preparation portion only.**
- 2) Geotechnical Services – Award and NTP with Drying Bed Design and Impoundment Closure Planning Activities**

Microfiltration Membrane Supplier for RRWPF

Microfiltration membranes are planned as the compliance filtration system within the RRWPF and are not to be confused with reverse osmosis membranes, which are different. A re-negotiation with membrane suppliers has been a topic of several executive sessions lately. As council is aware, this re-negotiation was prompted by changes involuntarily forced upon us by General Electric (GE) which would have raised capital and engineering costs at a time we were seeking to reduce costs. As a result, the City terminated its contract with GE and entered into simultaneous negotiations with GE and Pall Corporation, the two previous bidders from a 2010 procurement effort.

For similar, but not exact, scopes of supply, the results of the negotiations were as follows: General Electric's price for equipment and services was \$2,250,000 and Pall's was \$1,980,000. Besides being lowest on capital cost, membrane purchase and replacement costs are also lower for Pall. On a life-cycle cost evaluation, capital and membrane replacement costs for Pall are more attractive than GE's. On the matter of payment terms, Pall's payment terms and conditions were more favorable than GE's. The payment schedule negotiated with Pall only requires 5% to initiate drawings and additional 20% through the completion of approved drawings. The payment schedule allows the City to cancel at any time up to the release for fabrication with payment for only the costs incurred.

Staff recommends that the City proceed with an award to Pall for the drawing preparation portion of the payment schedule. If this award is made, the City would issue a purchase order for \$99,000.

Kumar & Associates Contract for Geotechnical Engineering Services

At a previous council meeting, the Council was informed of an emergency procurement approved by the City Manager on June 2nd for geotechnical engineering services for a \$75,000 portion of a larger scope of work involving Kumar and Associates. This initial amount was for borings to determine groundwater

**UTILITY DEPARTMENT
INTEROFFICE MEMO**



H2O Water

level, bedrock elevations and services to determine soil, waste, and groundwater characteristics for planned clay-lined drying beds to achieve costs savings compared to an earlier plan (now abandoned) involving concrete lined drying beds. The \$75,000 scope of work also included several additional borings to examine the suitability of the same site to support a new water treatment plant.

With only \$75,000 of a \$122,290 scope of work authorized to date, it is now appropriate to authorize the remaining portion of the work. The additional funds are required to proceed with the design of the clay lined drying beds to achieve the anticipated savings and the development of a closure plan, now required by CDPHE for waste impoundments.

Staff recommends award of an additional \$47,900 to complete the drying bed design and closure plan development. It should be noted that the amounts above and the agreed terms of the proposal are such that analytical and waste characterization costs are excluded and that additional expenses may be incurred. Such costs and expenses are variable and unpredictable and are subject to CDPHE and disposal facility requests for information. Accordingly and due to the nature of this work, there may be as much as \$10,000 or so in sampling, analytical, and characterization expenses not anticipated included in the above costs.

Staff recommends that Council approve an additional \$47,900 for the remainder of the Kumar and Associates' scope of work.

Your consideration on these matters is requested.

Sincerely,

Jim Miller, P.E.
Resident Engineer - RRWPF
City of Rifle, Utilities Department
970-665-6558
jimmiiler@rifle.co.org

**CITY OF RIFLE, COLORADO
RESOLUTION NO. 11
SERIES OF 2014**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIFLE,
COLORADO, AUTHORIZING THE CITY MANAGER TO SUBMIT
AN ENERGY AND MINERAL IMPACT ASSISTANCE FUND GRANT
APPLICATION FOR THE PURCHASE OF PROCESS EQUIPMENT
AND PALL MEMBRANE SYSTEM FOR THE RIFLE REGIONAL
WATER PURIFICATION FACILITY.

WHEREAS, the City of Rifle is finalizing design of a new Rifle Regional Water Purification Facility (the “Water Purification Facility”) to secure and meet the City’s potable water needs; and

WHEREAS, critical components of the Water Purification Facility include the process equipment and the City has determined after thorough analysis that a membrane system designed and manufactured by Pall Corporation meets the City’s needs at the best value; and

WHEREAS, the City desires to apply for a grant from the Department of Local Affairs Energy and Mineral Impact Assistance Fund in the amount of \$2,000,000 to purchase process equipment and Pall Membrane System and the City is willing to commit a local match of \$500,000 available through the City’s water fund.

NOW, THEREFORE, be it resolved by the City Council of the City of Rifle, Colorado that:

1. The City incorporates the foregoing recitals as findings by the City Council.
2. The City Manager is hereby authorized to submit an Energy and Mineral Impact Assistance Fund Grant Application to purchase process equipment and Pall Membrane System for the Water Purification Facility as approved by City Council.

THIS RESOLUTION was read, passed, and adopted by the Rifle City Council at a regular meeting held this 25th day of June, 2014.

CITY OF RIFLE, COLORADO

By: _____
Mayor

ATTEST:

City Clerk