

**RESOLUTION OF THE TOWN COUNCIL OF BASALT, COLORADO, RELATED TO  
THE PURCHASE OF ROCK FOR THE ROARING FORK RESTORATION PROJECT.**

Town of Basalt, Colorado  
Resolution No. **39-B**  
Series of 2013

**RECITALS**

1. The Town of Basalt is about to begin restoration work in the Roaring Fork River.
2. The restoration work that is contemplated requires the placement of a significant amount of rock to stabilize the banks and direct the flows in the river.
3. The acquisition of rock represents a significant portion of the material costs for the restoration project.
4. Town staff believes that it's possible to achieve a 5-10% cost savings by purchasing the rock outside of the construction bid process.
5. Town staff verified this potential cost savings with our Roaring Fork River design and construction team.
6. Purchase of the rock outside the construction bid process is necessary to assure timely delivery of the material to meet the completion deadlines for the first phase of the restoration project.

**NOW, THEREFORE, BE IT RESOLVED** by the Basalt Town Council of Basalt, Colorado, as follows:

1. That the Town Engineer and Town Manager finalize a term and materials contract with Cal X for the purchase and delivery of rock necessary for the Roaring Fork River restoration work.
2. That the final contract be brought back to the Town Council for a final vote at their August 27<sup>th</sup> meeting.

READ AND ADOPTED by a vote of 4 to 0 on August 13th, 2013.

TOWN OF BASALT, COLORADO

By:   
Jacque R. Whitsitt, Mayor

ATTEST:

By:   
Pam Schilling, Clerk



Mr. Mike Scanlon, Town Manager  
 Town of Basalt  
 101 Midland Avenue  
 Basalt, CO 81621

**RE: Recommendation to Pre-Purchase Rock for Basalt River Project**  
 SE Job #:11190.03

Mr. Scanlon,

We now know that we need to have Phase 1 of the river work completed by the end of the year to meet Rocky Mountain Institute's (RMI) construction schedule. In order to meet that completion date, we are going out to bid on August 13th in an effort to start construction on October 7th. Cal X has indicated that they will need 5-6 weeks to deliver the rock to the project site. We will not have a contractor on board in time to order material with a 5-6 week lead time so we recommend that the Town pre-purchase the material from Cal X. There are several benefits outside of scheduling in doing this:

- 1) If a GC were to purchase the material, there would most likely be a mark up on the material of 5-10%.
- 2) We believe CalX has a long term interest in the Town of Basalt and will be able to supply material as needed for years to come.
- 3) Cal X will deliver material on a need be basis and will stage the remaining material at their pit.
- 4) Cal X will get competitive bids for trucking component and the Town will be able to choose the trucking company while Cal X will be managing the trucking to meet the GCs delivery schedule. It is our understanding that the trucking cost is to be passed thru Cal X with no mark up.

A summary of CalX's proposal/fees is outlined below for both Phase 1 and Phase 2:

**PHASE 1 SUMMARY:**

MATERIAL	QUANTITY (TONS)	CAL X COST/TON	CAL X TOTAL COST
4' Boulder	485	\$50.00	\$ 24,250.00
3' Boulder	1150	\$45.00	\$ 51,750.00
2' Boulder	305	\$40.00	\$ 12,200.00
Rip Rap	730	\$30.00	\$ 21,900.00
<b>TOTAL</b>	<b>2670</b>		<b>\$ 110,100.00</b>

Based upon the potential mark up on material from a GC of 5-10%, by pre purchasing the material the Town will have a savings of :

@ 5% Markup=\$5,505

@ 10% Markup=\$11,010

Additionally the GC may mark up trucking fees 5-10%. In coordinating with a trucking company that exports a large portion of material from Cal X, we have estimated the trucking cost from Cal X to the site at \$36,650. Based upon the potential mark up on the material from a GC of 5-10% which Cal X is not doing, the Town will have an additional potential savings of:

@ 5% Markup=\$1,833

@ 10% Markup=\$3,666

**TOTAL PHASE 1 POTENTIAL S SAVINGS:**

@ 5% Markup=\$7,338

@ 10% Markup=\$14,676

**PHASE 2 SUMMARY:**

MATERIAL	QUANTITY (TONS)	CAL X COST/TON	CAL X TOTAL COST
4' Boulder	1360	\$50.00	\$ 68,000.00
3' Boulder	2800	\$45.00	\$ 126,000.00
2' Boulder	4475	\$40.00	\$ 179,000.00
Rip Rap	3245	\$30.00	\$ 97,350.00
<b>TOTAL</b>	<b>11880</b>		<b>\$ 470,350.00</b>

Based upon the potential mark up on material from a GC of 5-10%, by pre purchasing the material the Town will have a potential savings of :

@ 5% Markup=\$23,518

@ 10% Markup=\$47,036

Additionally the GC may mark up trucking fees 5-10%. In coordinating with a trucking company that exports a large portion of material from Cal X, we have estimated the trucking cost from Cal X to the site at \$163,075. Based upon the potential mark up on the material from a GC of 5-10% which Cal X is not doing, the Town will have an additional potential savings of:

@ 5% Markup=\$8,154

@ 10% Markup=\$16,308

**TOTAL PHASE 2 POTENTIAL SAVINGS:**

@ 5% Markup=\$31,672

@ 10% Markup=\$63,344

**TOTAL OF PHASE 1 AND PHASE 2 POTENTIAL SAVINGS:**

@ 5% Markup=\$39,010

@ 10% Markup=\$78,020

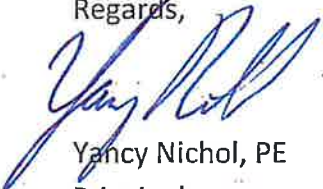
The proposal we received from CalX included their payment terms as follows:

- 50% of the entire Phase 1 contract price shall be advanced within 5 days following contract acceptance by the Town which equates to \$55,050 and does not include trucking costs.
- Thereafter, each shipment of Specified Product shall be invoiced by CalX as/when such Specified Product leaves the Quarry (with payment due within 30 days of invoice date.
- The Town will only be committed to purchase 85% of the contracted material, so in the event that design changes/installation methods allow for a reduction in material, the Town will not be required to purchase the total contracted tonnage.

It is also our understanding that when Phase 2 starts up, that CalX would have the same payment terms as Phase 1. Therefore, sometime in the Spring of 2014, the Town would need to advance 50% of the Phase 2 contract price which equates to \$235,175.

I hope this helps you in determining if pre-purchasing the material is the best option for the Town. Please let me know if you have any questions or need any additional information.

Regards,



Yancy Nichol, PE  
Principal

Cc: Larry Thompson