

The Nuts and Bolts of Capital Projects – From Start to Finish

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The Nuts and Bolts of Capital Projects – From Start to Finish

Special District Association
Annual Conference
2016

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Goals

- Provide a Roadmap for Success
- Discussion of the Major Issues
- Every Project is Different

Topics

- What is a Capital Project
- Developing the Idea
- Funding
- Bidding and Awarding the Project
- Project Management
- Project Closeout

What is a Capital Project?

- Construction of or improvements to public facilities or infrastructure
- Typically large scale, with a significant investment and a long useful life

Topics

- What is a Capital Project
- *Developing the Idea*
- Funding
- Bidding and Awarding the Project
- Project Management
- Project Closeout

Developing the Idea

- What Can Your District Do?
 - Statutory Authority
 - Service Plan

- Timeline
 - Type of Project
 - Market Conditions

Developing the Idea

- Design Professional
 - Preliminary Design
 - Technical Expertise
 - Estimate of Costs

Developing the Idea

- Building Community Support
 - Mailers
 - Community Meetings
 - Door-to-Door

Topics

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Funding

- Capital Fund
- Grants
- Loans

Funding

- Capital Fund
 - Cash on Hand

Funding

- Grants
 - Examples
 - Energy Impact Assistance Fund
 - Open Space Grants
 - Colorado Water Resources and Power Development Authority
 - Design and Engineering Grants

Funding

- Loans
 - Bonds
 - Direct Bank Loans
 - State/Federal Loan Programs
 - Colorado Water Resources and Power Development Authority

Funding

- Electoral Authorization
 - Election Questions
- Service Plan
 - Potential Limits

Funding

- Electoral Authorization - Example

SHALL SDA SANITATION DISTRICT DEBT BE INCREASED UP TO \$3.1 MILLION, WITH A REPAYMENT COST OF UP TO \$6.1 MILLION, AND SHALL SDA SANITATION DISTRICT TAXES BE INCREASED UP TO \$206,000.00 ANNUALLY OR SUCH LESSER AMOUNT AS MAY BE NECESSARY FOR THE PAYMENT OF SUCH DEBT AND ANY REFUNDINGS THEREOF, FOR PAYMENT OF ALL OR ANY PART OF THE COSTS OF PROVIDING OR IMPROVING A SANITARY SEWER COLLECTION SYSTEM AND TREATMENT PLANT, SUCH DEBT TO BE ISSUED AND SOLD AT ONE TIME OR FROM TIME TO TIME, TO BE PAID FROM ANY LEGALLY AVAILABLE REVENUES OF THE DISTRICT INCLUDING THE PROCEEDS OF AD VALOREM PROPERTY TAXES; SUCH TAXES TO CONSIST OF AN AD VALOREM MILL LEVY IMPOSED ON ALL TAXABLE PROPERTY OF THE DISTRICT WITHOUT LIMITATION OF RATE AND IN AMOUNTS SUFFICIENT TO PRODUCE THE ANNUAL TAXES SET FORTH ABOVE OR SUCH LESSER AMOUNT AS MAY BE NECESSARY, AND SHALL THE PROCEEDS OF SUCH DEBT AND THE REVENUE FROM SUCH TAXES, AND ANY OTHER REVENUE USED TO PAY SUCH DEBT, AND INVESTMENT EARNINGS THEREON, CONSTITUTE VOTER APPROVED REVENUE CHANGES AND BE COLLECTED AND SPENT BY THE DISTRICT WITHOUT REGARD TO ANY EXPENDITURE, REVENUE-RAISING, OR OTHER LIMITATION CONTAINED WITHIN ARTICLE X SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER STATUTORY OR CONSTITUTIONAL EXPENDITURE OR REVENUE-RAISING LIMITATION?

Funding

- Service Plan - Example

The District shall have the power to provide:

Sanitation. The design, acquisition, installation, construction, relocation, operation, maintenance, and regulation within and without its boundaries, of storm or sanitary sewer system improvements, including individual sewage disposal systems, storage facilities, collection and transmission lines, pumping stations, retention and settling ponds or basins, sludge drying beds, composting facilities, treatment works, facilities and equipment, and related landscaping and irrigation improvements, together with all necessary, incidental and appurtenant facilities, equipment, land and easements acquired by condemnation or otherwise, and extensions of and improvements to such facilities

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Bidding and Awarding the Project

- For Projects \$60,000 and more:
 - Public Bidding
 - “Default” Method
 - Integrated Project Delivery – “Design/Build”
 - Alternative to Public Bidding if Meet Certain Requirements

Bidding and Awarding the Project

- Public Bidding
 - Publish Invitation to Bid in Newspaper of General Circulation within District
 - Additional Places – Online

Bidding and Awarding the Project

- Public Bidding - Other Best Practices
 - Bid Package
 - Minimum of 14 Days between Publication and Due Date
 - Hold Bid for 60 Days

Bidding and Awarding the Project

- Bidder Questions
- Bid Due Date and Time
- Award
 - Lowest responsible bid
 - Not required to award

Bidding and Awarding the Project

- Integrated Project Delivery –
“Design/Build”
 - Purpose
 - Awarded to:
 - contractors who also provide licensed planning, architectural, engineering, development, construction, operating, or maintenance services

Bidding and Awarding the Project

- Integrated Project Delivery –
“Design/Build”
 - Process
 - Prequalification
 - Request for Qualifications with
 - » general description of proposed project
 - » relevant budget considerations
 - » requested information to prequalify

Bidding and Awarding the Project

- Integrated Project Delivery –
“Design/Build”
 - Request for Proposals
 - If did prequalification, send to prequalified entities
 - If no prequalification, publish request for proposal
 - Acceptance
 - “Best Value” to the District
 - Not required to award

Bidding and Awarding the Project

- Required for both Public Bidding and Integrated Project Delivery method
 - Bonds
 - Performance and Payment Bond required if Project exceeds \$50,000
 - Bid Bond - optional
 - Maintenance Bond - optional
 - Appropriation of Funds
 - Must have funding available for Project and Change-Orders before Awarding Project or Approving Change-Orders

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Project Management

- District Representative
 - On-Site
 - Troubleshooting
 - Ensuring Compliance

Project Management

- Payment
 - Retainage
 - For Projects in excess of \$150,000 must pay at least 95% of value of completed work
 - For Projects \$150,000 or less, can negotiate retainage amount

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Project Closeout

- Substantial Completion
- Punch-List
- Final Acceptance

Project Closeout

- Final Settlement
 - Publish Notice of Final Settlement/Payment
 - Required for Projects in excess of \$50,000
 - Twice – last publication 10 days or more before date of final settlement/payment
 - Verified Statement of Claim
 - Claims against Project
 - Release funds after 90 days unless:
 - » action is commenced by claiming party; and
 - » notice of lis pendens filed with District

Questions?

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