ORIGINAL

RESOLUTION 25-04-3

A Resolution of the Big Sky County Water and Sewer District #363 to Award an Alternative Project Delivery Contract – Construction Management Contract Shared with Gallatin Canyon Water and Sewer District

WHEREAS, The Big Sky County Water and Sewer District #363 (BSWSD) has actively pursued the efforts for the Gallatin Canyon Water and Sewer District (GCWSD) to establish sewer treatment for the properties within the GCWSD boundaries.

WHEREAS, GCWSD has adopted the necessary steps to utilize the Alternative Project Delivery Contract process. The BSWSD Board of Directors adopted the Alternative Project Delivery Contract process pursuant to § 18-4-124, MCA, by Resolution 2024-5, on January 21, 2024.

WHEREAS, together with GCCWSD, BSWSD is pursuing a Construction Management Contract for the BSWSD portion of the project referred to as the Gallatin Canyon Sewer Project; pursuant to § 18-2-501(9)(b), MCA, a board of directors of a county water or sewer district established pursuant to Title 7, chapter 13, parts 22 and 23, is a governing body for the purposes of Title 18, chapter 2, part 5;

WHEREAS, prior to awarding an alternative project delivery contract, pursuant to § 18-2-502, MCA, the Board of Directors must make specific findings as follows:

(a) the project has significant schedule ramifications and using the alternative project delivery contract is necessary to meet critical deadlines by shortening the duration of construction. Factors considered in making this finding include, but are not limited to:

(i) operational and financial data that show significant savings or increased opportunities for generating revenue as a result of early project completion; and

(ii) demonstrable public benefits that result from less time for construction.

(b) by using an alternative project delivery contract, the construction management contract will contribute to significant cost savings in the design process. Significant cost savings include but are not limited to value engineering, building systems analysis, life cycle analysis, and construction planning.

(c) the project presents significant technical complexities that necessitate the use of an alternative delivery project contract;

WHEREAS, the Board of Directors of BSWSD must also find, pursuant to § 18-2-502, MCA, that using an alternative project delivery contract will not encourage favoritism or bias in awarding the contract or substantially diminish competition for the contract;

Therefore, BE IT RESOLVED,

1. The BSCWSD project has schedule ramifications including funding deadlines, public health benefits, and community need for improved infrastructure. Likewise, the construction season at this location is relatively short due to early onset of winter and the requirement to keep this tourist destination area open. Accelerated construction techniques and construction staging innovation strategies necessitate the use of alternative contracting.

2. Revenue generation for the GCCWSD would begin as soon as connection fees and monthly service fees could be collected (upon immediate acceptance of the backbone main network installation). Otherwise, the GCCWSD currently has no means of generating revenue and has relied on grant funding for expenses to date. Absent separate funding BSCWSD has not established funding to pay for expenses to date.

   Due to the scale of the project, if earlier start of construction, and project completion is achieved sooner, significant savings will occur just due to labor rate increases, inflation of materials, extra mobilization and demobilization, and inefficiencies associated with multiple year construction. (i.e. $50M project budget x 3% inflation over 1 year = $1.5M in savings).

3. Net nutrient reduction in the Upper Gallatin Canyon alluvial aquifer, as well as the main stem of the Gallatin River. is anticipated to be achieved by taking existing, aged, and failing onsite wastewater treatment systems offline and replacing them with a connection to the collection network and treatment at the BSCWSD Water Resource Recovery Facility (WRRF). This would also be anticipated to limit anthropogenic algae blooms in the river.

   Treatment of wastewater to Class A-1 effluent quality offers tremendous improvement over current conventional onsite wastewater treatment systems, for nutrients as well as pathogens and other water quality parameters. Class A-1 effluent quality is viable for reuse irrigation, which also promotes water conservation, cost savings, and aquifer recharge. Public health benefits and improved water quality would begin to be realized as soon as the project is complete. A reduced construction period also promotes public safety with limited road closures, traffic impacts, and improved safety throughout the project area.

4. The project will act as a relief valve to the current BSCWSD WRRF storage facility, by taking on additional BSCWSD treated flows for GCCWSD disposal. Increases in storage volume and further impacts to the WRRF public facility would be required if the project did not happen in the anticipated timeline. Reduced construction period results in less traffic disruption impacts and associated reduction in traffic conflicts.

5. The GCCWSD and BSCWSD (Districts) have adopted alternative contracting guidelines that require the Construction Manger to self-perform at least 30% of the project work, as well as solicit subcontractor bids from a minimum number of outside companies. It is expected that the Construction Manager will be able to more effectively solicit bids than the Districts, in an area of Montana where access to qualified subs is limited. In the Big Sky area specifically, open-bid prices tend to be as much as 30% higher than other regions. The Construction Manager bid process is anticipated to help ease local inflation trends through a broader outreach of qualified bidders.

   The Construction Manager process includes a robust Risk Management process wherein the Districts, Engineers, and Contractor identify, price, and mitigate project risks during the design process.

6. Technical complexities include but are not limited to: numerous stakeholders and agencies involved; geotechnical considerations – shoring, large boulders, high groundwater, slope stability; Montana Department of Transportation right-of-way trenching – traffic control requirements and access; and varied scopes of work – excavation, heavy civil, electrical, controls, lift station, plumbing, mechanical, foundation / building.

   Geotechnical slope stability issues along MT HWY 64 require innovative strategies from a constructability perspective to ensure the force main and reuse main can be built and are not compromised by unstable slope conditions. Incorporating a Construction Manager on this project in the design phase will reduce burden on the Districts and improve efficiency by adding them to the large stakeholder group early on.

7. The Technical Review Committee will be comprised of individuals from each of the Districts, Consultants, and Independent Cost Estimator entities, with different areas of expertise. Individual scores from Technical Review Committee members will be thoroughly vetted and discussed if there is significant variation in one score versus the collective group scores.

   The project will include a non-scoring Technical Review Committee facilitator who will manage the proposal review and scoring process. His/her responsibility will be to ensure transparency and fairness in the individual scoring of the statements of qualifications and proposals. The Districts will follow the Montana Department of Transportation Technical Review Committee review guidelines.

8. The Construction Manager selection process is publicly advertised and open to all qualified entities. If the Construction Manager final Guarantee Maximum Price exceeds 5% of the project price estimate, the Districts can open the project to public bidding in accordance with public procurement laws.

Done this 20th day of August, 2025.

Big Sky County Water and Sewer District

Brian Wheeler President

Attest:

Dick Fast, Secretary