



Town of Yorktown

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Guaranteed Savings Contract

As you are aware, we are preparing for a major project at the waste water treatment plant. Part of this project is the federally mandated removal of phosphorus. This removal process is dictating that we touch a number of areas of our plant, including treatment, chemical storage and application, and sludge drying and removal. In addition to the removal, many parts of the plant were last upgraded in the 1980's meaning that various items are reaching their end of life, which our operators have been working to extend the usefulness. Instead of trying to nickel and dime repairs, we are recommending that we take the opportunity utilize low cost state funding and this mandated project as an opportunity to obtain extremely good pricing on the project.

Thieneman who you approved as the contractor is presenting their not to exceed price. Similar to the BOT contract utilized in construction of town hall, the Guaranteed Savings Approach sets a limit on the price, and provides an opportunity for the town to obtain the construction contingency funds if they are not utilized by the end of the project.

The document before you tonight outlines their price, the second document shows how savings will be accrued over the life cycle of the project. At this time BFS is recommending approval of the contracted price, we still have a couple of final steps associated with rates and closing on the State Revolving Loan Funds. This acceptance does not constitute the final contract, although we are continually moving down the path.

Pete Olson