



OFFICE OF THE CITY AUDITOR COLORADO SPRINGS, COLORADO

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19-21 Colorado Springs Utilities Philip H. Tollefson Water Treatment Plant

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Purpose

The purpose of this audit was to monitor and evaluate the multiyear capital project to update/renovate the Phillip H. Tollefson Water Treatment Plant. The report is based on observations through June 30, 2019.

Highlights

We conclude construction on Phase 1 of the Philip H. Tollefson Water Treatment Plant (Plant) has been delayed by six months and the total price has increased by 5% as negotiated between Colorado Springs Utilities (Utilities) and the contractors. Upgrades to the Water Treatment Plant are now expected to be complete in January 2021. There were no reportable issues identified.

	Original Estimate	Changes	Current Estimate
General Contractor	\$ 30,017,000	\$ 948,739	\$ 30,965,739
Engineer	4,356,288	286,000	4,642,288
I&C	2,147,527	260,000	2,407,527
Other	579,185	374,000	953,185
Total	\$ 37,100,000	\$ 1,868,739	\$ 38,968,739

The Philip H. Tollefson Water Treatment Plant, previously known as the Mesa Water Treatment Plant, was constructed in 1942 and is the most cost effective source of water that leverages local supply to Colorado Springs Utilities. Utilities produced a long-term plan for the plant in 2007 which included, but not limited to, demolition of two of the three existing basins, construction of a new main pretreatment building, raw water vault, finished water blending structure, and other upgrades to improve the plant's capabilities and ensure water quality. The current project will accomplish the business objectives established in the long-term plan.

While the project has experienced challenges and delays, the team has worked to ensure delays and cost impacts were minimized, while maintaining high levels of safety and quality. At the close of our audit work, the contractor was conducting water tests on the south concrete basin. We reviewed contracts, planning documents, cost documentation, attended coordination meetings, and interviewed key employees to reach our conclusions.

We would like to thank Colorado Springs Utilities for assisting us with this audit.

This audit was conducted in conformance with the International Standards for the Professional Practice of Internal Auditing, a part of the Professional Practices Framework promulgated by the Institute of Internal Auditors.