

ITEM # 18
DATE: 07-23-13

COUNCIL ACTION FORM

SUBJECT: CHANGE ORDER NUMBER ONE FOR WPC UV DISINFECTION SYSTEM CONSTRUCTION CONTRACT

BACKGROUND:

On August 14, 2012 the City Council awarded a construction contract to Garney Construction of Gardner, Kansas to install an ultraviolet (UV) disinfection system at the Water Pollution Control Facility (WPC). This project is a mandatory requirement under the terms of the facility's National Pollutant Discharge Elimination System (NPDES) permit, and a compliance schedule included in the permit requires the system to be operational and in compliance with the bacteriological standards during the first reporting period in 2014.

Once construction began, it was discovered that the large diameter piping to which the UV system needed to connect was located farther south than was shown on the facility's original construction drawings. This necessitated a relocation of the UV building farther south. **The new connection point will require additional 60" diameter pipe to make the connection, additional shoring due to the new connection point being very near the foundation of an existing clarifier, and the unexpected size of the concrete thrust block that the existing pipe was encased in. Because the building had to be relocated to the south, there is also additional expense to route the effluent from the UV system to the existing outfall aerator. Also included in the change order is a revision to the monorail and hoist that is needed to install and remove the banks of UV lights from the channels.**

Garney Construction provided a proposed change order for this work in the amount of \$152,428. Upon review by the City and its consultant, it was determined that a portion of the cost increase was directly attributable to the contractor's means and methods, and was not the responsibility of the City. **City staff provided a revised change order that was accepted by the contractor in the amount of \$124,080.96.** It is important to note that the work covered by this change order is on the project's critical path, meaning delays in approving the change order could hold up the final completion date of the work. A copy of the change order is attached

The revised project budget is:

Engineering	\$	472,348.29
UV Equipment Prepay		37,180.00
Laboratory Equipment		4,072.99
Original Construction Contract		1,984,600.00
Change Order #1		124,080.96
Remaining Contingency		96,772.68
Total Estimated Project Cost	\$	2,719,053.93

There are still some small change order issues remaining to be negotiated with the contractor. These are not on the project's critical path and are unrelated to the items included in Change Order Number One. The net dollar amount for the outstanding issues is anticipated to be less than \$25,000. Therefore the remaining project contingency appears to be adequate.

The project will be financed using a low interest loan from the State Revolving Fund (SRF). On October 9, 2012, Council authorized staff to close on the SRF loan in an *estimated* amount of \$2,565,115. Staff has already reviewed the proposed Change Order Number One with the Iowa SRF staff and confirmed that the work included in the change order is eligible for inclusion in the SRF loan. At the conclusion of construction, the final loan amount will be reconciled with the actual eligible expenses. Any unspent contingency will not be included in the final loan amount.

ALTERNATIVES:

1. Approve Change Order Number One with Garney Construction in an amount of \$124,080.96.
2. Do not approve the change order at this time.

MANAGER'S RECOMMENDED ACTION:

The UV disinfection system is a requirement of the WPC Facility's NPDES permit, and the City is subject to a binding compliance schedule to install the system. Unforeseen underground conditions require a change to the original construction plans, and the contractor and city staff have agreed on an equitable cost for the changes.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Order Number One with Garney Construction in an amount of \$124,080.96.



CITY OF
Ames™

CHANGE ORDER NO. 1	
CONTRACT / BID NO:	2013-005
PURCHASE ORDER NO:	48332



July 18, 2013

Project: WPC Facility Ultraviolet Wastewater Disinfection Project

Contractor Name:	Garney Companies, Inc.	Change Orders Approved to Date:			
Address:	1333 N. W. Vivion Road	1		3	
City, State, & Zip Code:	Kansas City, MO 64118	2		4	


The contract is modified as follows upon execution of this Change Order. The changes included in this change order are made in order to carry out the original intent of the contract. The changes included in this change order are to be accomplished in accordance with the terms, stipulations, and conditions of the original contract as though included herein.

ACTION	DESCRIPTION	COST	
Add	Monorail		\$16,743.91
Add	DIP Locate		\$7,312.86
Add	DIP Tie In		\$70,459.70
Add	DIP Effluent Extension		\$29,564.49
TOTAL AMOUNT - CHANGE ORDER #1 (Per Attached Letter Dated 7/15/13):			\$124,080.96

Contract Price:

Original contract price:	\$1,984,600.00
Change orders approved to date:	\$0.00
Amount of this change order:	\$124,080.96
Adjusted contract price including this change order:	\$2,108,680.96

Accepted for Garney Companies, Inc:


 Signature _____ Date 7/18/13

Recommended for City of Ames Approval:
(John Dunn, Director, Water & Pollution Control)

Signature _____ Date _____

Printed Name & Title:

Joey Perrell
 Senior Project Manager

City of Ames Approval (Mayor Campbell):

Signature _____ Date _____