

COUNCIL ACTION FORM

SUBJECT: NEW WATER PLANT CHANGE ORDER NO. 16 – CONTRACT 2

BACKGROUND:

The new Water Treatment Plant project is budgeted to wrap up in the current fiscal year. Table 1 below shows the entire project budget, from 2008 through the mid-year budget amendments currently being considered by Council.

Table 1: Total Project Budget

	Water Fund	SRF Loan
All Prior Years	\$ 813,792	\$ 39,728,135
Current Year	706,002	29,667,686
Subtotal	\$ 1,519,794	\$ 69,395,821
Total		\$ 70,915,615

On October 14, 2014, City Council awarded a construction contract to Knutson Construction of Minneapolis, Minnesota for the City's new water treatment plant. This contract, along with all other project expenses, is summarized in Table 2.

Table 2: Total Project Costs To Date

Contract	Amount	Total
FOX Engineering		
Original Contract	\$ 8,240,000	
Change Orders 1-11	763,986	\$ 9,003,986
Contract 1: Pipeline – S.M. Hentges & Sons		
Original Contract	\$ 3,197,273	
Change Orders 1-4	54,566	\$ 3,251,839
Contract 2: Treatment Plant – Knutson Construction		
Original Contract	\$ 52,497,000	
Change Orders 1-15	902,322	\$ 53,399,322
All Other Expenses		\$ 3,163,437
(e.g., land acquisition, lime sludge disposal, environmental investigations, etc.)		
Subtotal		\$ 68,818,584
Contingency		\$ 2,097,031
Total		\$ 70,915,615

Fifteen previous change orders have been executed for Contract 2 with Knutson Construction (see the attached summary for a description of each). Additional items have been identified that need to be addressed and require a change to the contract. Knutson has provided a proposed change order for the work. Each item is described below.

- **Low voltage modifications.** Modifications are needed to accommodate the city phone system including equipment racks, changes in cable and adjusting the size of phone cabinets. **Total cost for the change is \$130,298.**

The net cost for this change order is \$130,298. It is the opinion of the consulting team that this is a fair and reasonable price for the requested changes.

The table below shows project contingency before and after approval of this change order.

Table 3: Contingency Balance

	Total
Available Contingency Before Change Order 16	\$ 2,097,031
Contract 2 Change Order 16 (this Council Action)	130,298
Remaining Project Contingency	\$ 1,966,733

There are still a number of additional changes needed for the project that will result in additional change orders to Contract 2. The contractor and consultant are working to determine appropriate pricing for these changes. As these are completed, they will appear on future change orders.

ALTERNATIVES:

1. Approve Change Order No. 16 for Contract 2 with Knutson Construction in the amount of \$130,298.
2. Do not approve the change order at this time.

MANAGER’S RECOMMENDED ACTION:

The proposed changes are to improve reliability and function of the Water Plant. The consulting engineers, City staff, and Knutson Construction have worked together to come up with reasonable, cost effective recommendations. After approving Change Order No. 16, the remaining contingency available for the project will be \$1,966,733. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

**New Water Treatment Plant
Summary of Change Orders to Construction Contracts**

Contract 1: S.M. Hentges & Sons (Pipeline)

Description	Net Change
Contract 1, Change Order #1 Raw water realignment, site work, communication structure	\$ 9,256.45
Contract 1, Change Order #2 Piping changes, bypass structure changes, hydrant valves	\$ 21,687.60
Contract 1, Change Order #3 Air relief hydrants, pedestrian ramp, thrust block removal and replacement	\$ 16,974.83
Contract 1, Change Order #4 Road stone, replace lime sludge line laterals, repaint hydrants	\$ 6,647.12
Total Approved Changes to Contract 1	\$54,566.00

Contract 2: Knutson Construction (Treatment Plant)

Description	Net Change
Contract 2, Change Order #1 Sanitary Sewer Realignment	\$ 127,023.00
Contract 2, Change Order #2 Second water service line; additional gate valve; change in pipe material; manhole waterproofing.	\$ 55,634.00
Contract 2, Change Order #3 Minor plumbing changes, tree removal, minor electrical change to elevator, process valve simplification	\$ 5,457.00
Contract 2, Change Order #4 Clearwell access hatches	\$ 6,192.00
Contract 2, Change Order #5 Debris removal, analyzers, access doors, lime pond gates, structural clarifications	\$ 21,790.00
Contract 2, Change Order #6 Electrical modifications, valve floor stand, tracer wire, loss of work time	\$ 22,624.00
Contract 2, Change order #7 Piping modifications to eliminate maintenance in a confined space	\$ 8,985.00

Contract 2, Change order #8 Flooring changes, plumbing modifications, concrete construction changes, valves, concrete pad	\$ 19,341.00
Contract 2, Change order #9 Miscellaneous construction modifications and process piping adjustments	\$ 3,659.00
Contract 2, Change order #10 Service water piping rerouting	\$ 6,027.00
Contract 2, Change order #11 Glass revisions	(\$ 2,360.00)
Contract 2, Change order #12 Natural gas pressure reducing valve and concrete pad	\$ 5,211.00
Contract 2, Change order #13 Lime pond work, water service lines, interior finish selections, hose bib modifications	\$ 21,136.00
Contract 2, Change order #14 Technology revisions, building modifications, equipment relocation, hardware revisions, code requirements	\$ 564,932.00
Contract 2, Change order #15 Finished water sample system, flooring, cabinet modifications	\$ 36,671.00
Contract 2, Change order #16 Low voltage modifications	\$ 130,298.00
Total Approved Changes to Contract 2, including this request	\$ 1,032,620.00