

COUNCIL ACTION FORM

SUBJECT: NEW WATER PLANT CHANGE ORDER NO. 18 – 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 approved 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 1-17	1,072,445	\$ 53,569,445
All Other Expenses (e.g., land acquisition, lime sludge disposal, environmental investigations, etc.)		\$ 3,163,437
Subtotal		\$ 68,988,707
Contingency		\$ 1,926,908
Total		\$ 70,915,615

Seventeen 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.

- **Framing at curtain wall** – additional support was required for the window framing in the lobby area. **Total cost for this change is \$4,227.**
- **Delete driveway modification** – remove this portion of the project to allow staff to coordinate repair of an adjacent manhole. Driveway work is not critical to the new water plant construction and can be a stand-alone project in the future. **Total savings \$23,721.**
- **Additional light fixtures** – additional lighting was needed in the operations area. **Total cost for the change is \$15,734.**
- **Delete painting in basement area** – remove requirement to paint ceilings in the basement area. **Total savings \$8,413.**
- **Accept defective masonry lintel at storage room door** – the lintel was installed slightly out of level in a masonry block wall. Adjustments will be made so the door frame fits the opening. The door is not in a highly visible area. **Total savings \$2,500.**
- **Additional costs for accent wall color** – the specifications did not identify additional painting that was intended in the design. **Total cost for the change is \$2,119.**
- **Landscape seeding change** – the seeding plan was changed to allow for a mixture that would grow better. **Total cost for the change is \$1,654.**

The net cost for this change order is a decrease of \$10,900. 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 18	\$ 1,926,908
Contract 2 Change Order 18 (this Council Action)	(10,900)
Remaining Project Contingency	\$ 1,937,808

There are a few 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. 18 for Contract 2 with Knutson Construction, decreasing the contract amount by \$10,900.
2. Do not approve the change order at this time.

MANAGER'S RECOMMENDED ACTION:

The proposed changes are to improve reliability and functionality 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. 18, the remaining contingency available for the project will be \$1,937,808. 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
Contract 2, Change order #17 Glass modifications and telephone system modifications	\$ 39,825.00
Contract 2, Change order #18 Framing, driveway deletion, painting changes, light fixtures, seeding changes, door lintel	(\$ 10,900)
Total Approved Changes to Contract 2, including this request	\$ 1,061,545.00