

**COUNCIL ACTION FORM**

**SUBJECT: 2011/2012 WATER SYSTEM IMPROVEMENTS (WATER SERVICE TRANSFERS)**

**BACKGROUND:**

The annual Water System Improvements program provides for replacing water mains in areas that are experiencing rusty water problems. It also provides for installing larger distribution mains in areas that have a high concentration of 4-inch supply lines, transferring water services from 4-inch water mains in streets where larger water mains exist, and abandoning 4-inch water mains. Eliminating duplicate water mains, where possible, improves water flow and helps reduce rusty water. Installing larger distribution lines in areas that have a high concentration of 4-inch supply lines and less than desirable fire-fighting capacity (predominately in the older areas of the community) provides larger supply quantities in relation to the current and proposed land uses in accordance with the City's Land Use Policy Plan.

The 2011/2012 program locations for water service transfers were on Lincoln Way (Franklin Avenue to Hayward Avenue), Franklin Avenue (500' South of Lincoln Way to Woodland Street) and Campus Avenue (Lincoln Way to Oakland Street). Duplicate water mains have existed along all locations, but water services were not transferred to the larger main when installation was completed. Transfer of water services to the larger mains improved the water service for those customers affected and provided a higher quality water supply. Following transfer of services, the smaller mains were abandoned, which will reduce maintenance in these areas.

On April 12, 2011, Council awarded this contract to Synergy Contracting LLC of Bondurant, Iowa, in the amount of \$352,062.60. Construction was completed in the amount of \$347,469.70. One change order was approved administratively by staff.

Change order No. 1, in the amount of \$32,155, included changes in the existing water main abandonments due to unknown site conditions and additional interior plumbing required to install the new water services.

Change order No. 2, the balancing change order, is a reduction in the amount of \$36,747.90. Items in this change order include reduction in plan quantities for water service transfers that had already taken place, change in water main abandonments due to unknown site conditions, and liquidated damages (41 calendar days) for failure to complete the work within the contract allotted time. Liquidated damages for this contract were \$400 per calendar day.

The 2011/12 Water Systems Improvements Program includes expenses as follows:

Douglas Avenue Water Main Replacement (estimated) <i>(bid with Douglas Avenue Street Replacement project)</i>	\$ 92,900.00
Graeber/Hughes Water Main Replacement (actual)	\$154,580.90
<b>Water Service Transfers (actual)</b>	<b>\$347,469.70</b>
Engineering and Contract Administration (estimated)	<u>\$120,000.00</u>
	<u>\$714,950.60</u>

The 2011/12 budget includes \$900,000 from the Water Utility Fund for these system improvements. Remaining funds will be used for contingencies on the active contracts or on future water systems projects as they are identified.

**ALTERNATIVES:**

- 1a. Approve Change Order No. 2, a reduction in the amount of \$36,747.90.
  - b. Accept the 2011/2012 Water System Improvements (Water Service Transfers) as completed by Synergy Contracting LLC, of Bondurant, Iowa, in the amount of \$347,469.70.
2. Direct staff to pursue modifications to the project.

**MANAGER'S RECOMMENDED ACTION:**

This project has now been completed in accordance with the approved plans and specifications. The balancing change order includes appropriate liquidated damages, since the contractor did not complete the project within the timeframe specified in the plans and specifications.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Order No. 2, a reduction in the amount of \$36,747.90, and accepting the 2011/12 Water System Improvements (Water Service Transfers) as completed by Synergy Contracting LLC, of Bondurant, Iowa, in the amount of \$347,469.70.