

COUNCIL ACTION FORM

SUBJECT: NEW WATER PLANT CHANGE ORDER NUMBER SIX – CONTRACT 2

BACKGROUND:

On October 14, 2014 the City Council awarded a construction contract to Knutson Construction of Minneapolis, MN for the City's new drinking water treatment plant.

Four items have been identified that need to be addressed and that result in a change to the contract. Knutson has provided a proposed change order for the work. Each item is described below.

- Electrical modifications – Changes were made to allow SCADA access from the existing Technical Services Complex. Modifications to the gate control system were made to allow current users to be integrated into the new system. **Total cost of modifications – \$10,047.**
- Floor stand on isolation valve – a valve access cover was located in an equipment room. When the specific equipment was selected and laid out, it was determined that the access cover may pose a tripping hazard. It is recommended to install a floor stand with a hand wheel so staff could walk around the access. **Total cost of change – \$2,137.**
- Tracer wire for the fiber optic line – It was originally thought that the line was located close enough to the new water lines that tracer wire was not needed. During construction, it was determined that adding tracer wire was necessary to be able to locate and protect the important fiber optic lines. **Total cost of change – \$7,628.**
- Down time during electrical repairs – While working in the lime pond area, the contractor hit an unmarked three-phase power line. They incurred three hours of down time while the electric line was repaired. **Total cost for lost time – \$2,812.**

The net cost for this change order is \$22,624. It is the opinion of the consulting team that this is a reasonable price.

The approved FY 16/17 Capital Improvements Plan includes a total project budget of \$71,241,000. A simplified breakdown of the project costs is shown below.

Description	Amount
Contract 1 (actual bid price)	\$3,197,273
Contract 2 (actual bid price)	52,497,000
Engineering	8,900,000
Lime Sludge Removal	1,570,000
Land & Easements	899,000
Special Inspections	350,000
Pre-design Activities	774,000
Equipment Allowances, Misc.	540,000
Contingency	2,513,727
Total	\$71,241,000

The contingency shown above has been reduced from what was shown in previous Council Action Forms to match the FY 16/17 CIP, reflecting the competitive bid prices received for both construction contracts.

A summary of all change orders executed since the award of the construction contracts is included on the next page of this report with this latest change order shown in bold.

ALTERNATIVES:

1. Approve Change Order Number Six for Contract 2 with Knutson Construction in the amount of \$22,624.
2. Do not approve the change order at this time.

MANAGER’S RECOMMENDED ACTION:

The changes proposed 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.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving Change Order Number Six for Contract 2 with Knutson Construction in the amount of \$22,624.

New Water Treatment Plant
Summary of Change Orders and Running Contingency Balance

Description	Net Change	Remaining Contingency
<i>Initial contingency, based on FY 16/17 CIP</i>		\$ 2,513,727.00
Contract 2, Change Order #1 Sanitary Sewer Realignment	\$ 127,023.00	\$ 2,386,704.00
Contract 2, Change Order #2 Second water service line; additional gate valve; change in pipe material; manhole waterproofing.	\$ 55,634.00	\$ 2,331,070.00
Contract 1, Change Order #1 Raw water realignment, site work, communication structure	\$ 9,256.45	\$ 2,321,813.55
Contract 1, Change Order #2 Piping changes, bypass structure changes, hydrant valves	\$ 21,687.60	\$ 2,300,125.95
Contract 2, Change Order #3 Minor plumbing changes, tree removal, minor electrical change to elevator, process valve simplification	\$ 5,457.00	\$ 2,294,668.95
Contract 1, Change Order #3 Air relief hydrants, pedestrian ramp, thrust block removal and replacement	\$ 16,974.83	\$ 2,277,694.12
Contract 2, Change Order #4 Clearwell access hatches	\$ 6,192.00	\$ 2,271,502.12
Contract 2, Change Order #5 Debris removal, analyzers, access doors, lime pond gates, structural clarifications	\$ 21,790.00	\$ 2,249,712.12
Contract 1, Change Order #4 Road stone, replace lime sludge line laterals, repaint hydrants	\$ 6,647.12	\$ 2,243,065.00
Contract 2, Change Order #6 Electrical modifications, valve floor stand, tracer wire, loss of work time	\$ 22,624.00	\$ 2,220,441.00