

**COUNCIL ACTION FORM**

**SUBJECT: NEW WATER PLANT CHANGE ORDER NO. 8 – 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.

Eight 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.

- **Epoxy flooring** – Changes are proposed for a less expensive flooring finish in several utility closets, laundry/first aid area, and corridor areas. **Total savings is \$5,080.**
- **Condensate pump and drain** – Because of the high humidity in parts of the facility, the electrical equipment requires a drain to remove condensation. An area has been identified where there is no nearby floor drain. A small pump is proposed in order to connect to a floor drain in another area. **Total cost for the change is \$2,025.**
- **36 inch butterfly valve** – The design of the filters intended for a valve to be located in a specific location in the filter piping. However, the construction drawings did not clearly show a valve. This valve is needed for operation of the filters. Using unit costs from other valves on the project a reasonable price was determined. **Total cost for the valve is \$18,106.**
- **Delete sample valves** – It was realized that some sample valves were specified twice in the project documents and included by the contractor twice in their bid. **Total savings is \$606.**
- **Openings in pipe gallery east wall** – The openings on the east wall of the pipe gallery needed to be formed differently than shown on the plans. **Total cost for this change is \$8,041.**
- **Water Lines** – Water lines in the office area are proposed to be rerouted to avoid a stairwell. **Total cost for the change is \$1,024.**
- **Valve stem modifications** – Two of the valve operators for the backwash recovery valves extend into a walkway, posing a trip hazard. Proposed modifications will shorten the operators, opening up the walkway and facilitating easier operation. **Total cost for the change is \$773.**
- **Generator and transformer pad revisions** – The manufacturer made a suggestion to modify the concrete pad on which the generator and transformer will be mounted. **Total savings is \$4,942.**

The net cost for this change order is \$19,341. 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.

<b>Description</b>	<b>Amount</b>
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
<b>Total</b>	<b>\$71,241,000</b>

The contingency shown above has been reduced from what was shown in previous Council Action Forms to match the FY 2016/17 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, with this latest change order shown in bold.

**ALTERNATIVES:**

1. Approve Change Order No. 8 for Contract 2 with Knutson Construction in the amount of \$19,341.
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.

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 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
Contract 2, Change order #7 Piping modifications to eliminate maintenance in a confined space	\$ 8,985.00	\$ 2,211,456.00
<b>Contract 2, Change order #8 Flooring changes, plumbing modifications, concrete construction changes, valves, concrete pad</b>	<b>\$ 19,341.00</b>	<b>\$ 2,192,115.00</b>