

COUNCIL ACTION FORM

**SUBJECT: FINAL COMPLETION OF NEW WATER TREATMENT PLANT –
CONTRACT 1 - UTILITIES**

BACKGROUND:

The new Water Treatment Plant project is budgeted to wrap up in the current fiscal year, with final completion of the work anticipated during FY 2017/18. Table 1 below shows the entire project budget from 2008 through the final budget amendment approved by Council.

Table 1: Total Project Budget

	Water Fund	SRF Loan
All Prior Years	\$ 813,792	\$ 39,728,135
Current Year	756,002	29,667,686
Subtotal	\$ 1,569,794	\$ 69,395,821
Total		\$ 70,965,615

On February 24, 2015, the City Council awarded a construction contract to S. M. Hentges & Sons of Jordan, Minnesota, for the interconnecting piping between the old and new water treatment plant locations. 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: Utilities – 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 1-21	1,124,694	\$ 53,621,694
All Other Expenses		\$ 3,163,437
(e.g., land acquisition, lime sludge disposal, environmental investigations, etc.)		
Subtotal		\$ 69,040,956
Contingency		\$ 1,924,659
Total		\$ 70,965,615

The City Council is being asked to take the following three actions to close out Contract 1 – Utilities.

Action A: Damage Claim Settlement.

During the execution of the project, S.M. Hentges’ work resulted in additional costs to the City, which staff presented to Hentges as a series of claims against the contract.

Summary of Claims Asserted by City of Ames

Claim for damages resulting from a contractor-caused water main break; and, damaged cables serving an electrical substation.	\$ 61,301.63
Water used for flushing and disinfecting beyond the first round.	66,813.32
City labor and equipment used for flushing and disinfecting beyond the first round.	24,537.62
Liquidated damages for failure to achieve the specified substantial and final completion milestone dates.	87,200.00
TOTAL CLAIM BY OWNER	\$ 239,852.57

As of July 10, 2017, the Contractor had been paid \$2,989,449.37, and the City is retaining \$255,742.66.

The Contractor agreed that the damage claims were their responsibility, but disputed the legitimacy of portions of the claim. In addition, City staff and the Contractor were not in agreement on the cause of the extensive flushing and disinfection required. As a result of the disagreement about the cause of the extra flushing and resulting additional time required to complete the work, the Contractor also disputed that they were liable for the full amount of the liquidated damages.

It is important to note that there is a difference between the damages that the contractor is contractually liable for, versus the City’s actual out-of-pocket expenses. For example, the cost of water used in the calculation above is the City’s winter rate that is published in the *Municipal Code*, which includes both the fixed costs and the variable costs to produce water. However, the actual out-of-pocket costs for the water are only the variable costs – those expenses that vary directly with the amount of water treated. When considering only variable costs (electricity, chemicals lime sludge disposal, etc.),

the out-of-pocket cost for the water amounts to approximately \$13,400. Similarly, some of the labor expenses occurred during regular business hours when City employees would have been paid regardless of whether they were working on this Contract 1 or performing some other duty. **When subtracting out the fixed costs and considering only the variable costs, staff estimates that the actual out-of-pocket loss to the City totals \$127,305.87.**

The contract calls for dispute resolution to be by mediation followed by litigation. Before proceeding with the formal dispute resolution process, City staff made a settlement offer to the contractor in the form of a \$175,000 credit to the City, in an attempt to avoid the time and expense of mediation. The Contractor countered with an offer of a \$135,000 credit and the elimination of all warranty obligations. The City declined that counter-offer, and the parties moved to mediation.

The mediation session was held on July 10, 2017, at the law offices of an independent third-party mediator. After six hours of negotiation, the parties reached the following settlement agreement.

Parties S.M. Hentges and City of Ames, subject to City Council approval and resolution, agree to execute a settlement agreement that will provide a credit to be given to the City of Ames by Change Order in the amount of one hundred fifty five thousand and 00/100 dollars (\$155,000.00), with the remainder of contract balance to be paid to S.M. Hentges by August 1, 2017; warranty to begin July 25, 2017; mutual release of parties respective claims and final acceptance of the Water Treatment Plant – Contract 1 – Utilities Project.

It is the opinion of staff that this settlement is in the best interest of the City and the water utility's rate payers. When entering litigation, both parties are at risk of not receiving everything they believe they are entitled to, and it is possible that the City would not have received its entire \$239,852 claim. That fact, coupled with the anticipated cost of litigating the claim, lead staff to the conclusion that the settlement is within the reasonable range of the final net dollar amount after litigation. Additionally, this amount covers all of the City's actual out-of-pocket expenses and provides some nominal reimbursement towards staff's lost productivity.

Action B: Approve Change Order No.'s 5, 6, and 7.

The net impact of these three change orders is a \$178,192.25 credit to the City. All three have been signed by the Contractor and Engineer.

Change Order No. 5 makes final quantity adjustments to Contract 1 in a deduct amount (credit to the City) of \$48,860.92. The contract was bid using unit pricing and estimated quantities for much of the work. Because the quantities were estimated, it is necessary to have a final change order that adjusts the final quantities.

Change Order No. 6 compensates the Contractor for additional work directed by the City (removal of abandoned pipe, modifications to a pipe crossing to avoid conflicts with existing infrastructure, and additional testing of tracer wire to confirm continuity) in the amount of \$25,668.67.

Change Order No. 7 incorporates the \$155,000 credit provided by the settlement agreement. The Contractor has signed the agreement, and City staff gave their concurrence subject to approval by the City Council.

Action C: Final Acceptance of Contract 1.

The Engineer determined that the work was fully completed as of July 15, 2016. The only item holding up acceptance of the work has been the lack of agreement on the final contract price. With the execution of the above Change Orders, all parties are now in agreement on the price and the work is ready for acceptance. The warranty on the project will begin effective with Council's acceptance on July 25, 2017.

The settlement agreement calls for the City to remit the final payment to the Contractor by August 1. Typically, the final payment is not released until 30 days after Council's acceptance of the work to allow any suppliers or subcontractors to make a claim to the City that they have not been paid by the Contractor. In this case, since the work has been completed for over a year, the likelihood of any claim is minimal. Staff recommends that the final payment of \$84,197.53 be released to Hentges no later than August 1 as called for in the settlement agreement.

ALTERNATIVES:

1. The City Council can take the following actions to close out New Water Treatment Plant – Contract No. 1 – Utilities.
 - A. Approve the Mediation Settlement Agreement dated July 10, 2017.
 - B. Approve Change Order Nos. 5, 6, and 7.
 - C. Accept completion of Contract 1 in the final amount of \$3,073,646.90; and authorize release of the final payment to the contractor no later than August 1.
2. The City Council can decide to approve Change Order's 5 and 6, but not approve the mediation agreement and the corresponding Change Order 7. If Council chooses this option, staff would need direction regarding the disputed claims. That direction could be to pursue the full amount of the claim in District Court; or another alternative desired by Council.

MANAGER'S RECOMMENDED ACTION:

City staff and S.M Hentges & Sons (the contractor) have negotiated a mutually acceptable settlement to resolve the City's claims for damages and costs incurred

during the execution of the agreement. That settlement agreement is now ready for Council approval.

To finalize the contract, three change orders need to be approved by Council (#5 – to adjust final quantities; #6 – to compensate the contractor for additional work performed; #7 – to incorporate the settlement agreement). All three have been signed by the Engineer and the Contractor.

The Engineer has provided a Statement of Completion. With Council's acceptance of the settlement agreement and approval of the three change orders, Contract 1 is ready for final acceptance.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative 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
Contract 1, Change Order #5 Adjust final material quantities	(\$48,860.92)
Contract 1, Change Order #6 Abandoned pipe removal, pipe crossing modification, tracer wire testing	\$25,668.67
Contract 1, Change Order #7 Settlement Agreement	(\$155,000)
Total Approved Changes to Contract 1, including this action	(\$123,626.25)

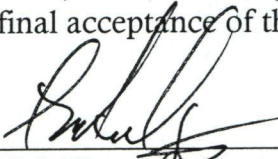
Contract 2: Knutson Construction (Treatment Plant)

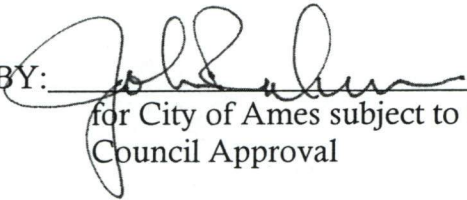
Description	Net Change
Contract 2, Change Order #1 Sanitary Sewer Realignment	\$ 127,023.00
Contract 2, Change Order #2 Second water service line; additional gate valve; change in pipe material; manhole waterproofing.	\$ 55,634.00
Contract 2, Change Order #3 Minor plumbing changes, tree removal, minor 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)
Contract 2, Change order #19 Elevator safety requirements	\$ 4,153
Contract 2, Change order #20 Minor piping changes, computer monitors, HVAC equipment and safety switches, electric disconnect switch	\$ 29,903
Contract 2, Change order #21 Piping modifications, electrical additions, geogrid, pressure transducer, sample lines	\$ 29,093
Total Approved Changes to Contract 2	\$ 1,124,694.00

MEDIATION SETTLEMENT

Parties S.M. Hentges and City of Ames, subject to city council approval and resolution, agree to execute a settlement agreement that will provide a credit to be given to the City of Ames by Change Order in the amount of one hundred fifty five thousand and 00/100 dollars (\$155,000.00), with the remainder of contract balance to be paid to S.M. Hentges by August 1, 2017; warranty to begin July 25, 2017; mutual release of parties respective claims and final acceptance of the Water Treatment Plant – Contract 1 – Utilities Project.

BY:  7/10/17
S.M. Hentges

BY:  7-10-17
for City of Ames subject to City
Council Approval

BY:  7/10/17
Roger W. Stone

Change Order No. 5

Project: Ames Water Treatment Plant - Contract 1 Utilities	Date of Contract: March 24, 2015
Owner: City of Ames	Owner's Contract No.: 2015-118
Engineer: FOX Engineering	Engineer's Project No.: 3338-12C
Contractor: S.M. Hentges	Date of Issuance: July 25, 2016

The Contract Documents are modified as follows upon execution of this Change Order:

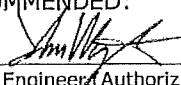
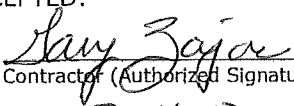
DESCRIPTIONS:

Additional Work:

- Item 1 Adjustment of Quantity (Bid Item 1.03) - decrease by 23 HR @ \$375.00 = \$8,625.00 **Deduct**
- Item 2 Adjustment of Quantity (Bid Item 2.02) - decrease by 43 SY @ \$1.00 = \$43.00 **Deduct**
- Item 3 Adjustment of Quantity (Bid Item 2.03) - decrease by 340 CY @ \$12.00 = \$4,080.00 **Deduct**
- Item 4 Adjustment of Quantity (Bid Item 2.04) - increase by 131.66 TON @ \$13.50 = \$1,777.41 **Add**
- Item 5 Adjustment of Quantity (Bid Item 3.01) - decrease by 413.16 TON @\$23.00=\$9,502.68 **Deduct**
- Item 6 Adjustment of Quantity (Bid Item 3.02) - decrease by 310 CY @ \$34.00 = \$10,540.00 **Deduct**
- Item 7 Adjustment of Quantity (Bid Item 4.02) - decrease by 118 LF @ \$23.00 = \$2,714.00 **Deduct**
- Item 8 Adjustment of Quantity (Bid Item 4.03) - decrease by 200 LF @ \$35.00 = \$7,000.00 **Deduct**
- Item 9 Adjustment of Quantity (Bid Item 4.04) - decrease by 200 LF @ \$79.00 = \$15,800.00 **Deduct**
- Item 10 Adjustment of Quantity (Bid Item 5.06) - increase by 9 LF @ \$223.00 = \$2,007.00 **Add**
- Item 11 Adjustment of Quantity (Bid Item 5.09) - increase by 5 LF @ \$130.00 = \$650.00 **Add**
- Item 12 Adjustment of Quantity (Bid Item 7.01) - increase by 282 SY @ \$81.00 = \$22,842.00 **Add**
- Item 13 Adjustment of Quantity (Bid Item 9.03) - decrease by 7.75AC @\$1,989.00=\$15,414.75 **Deduct**
- Item 14 Adjustment of Quantity (Bid Item 9.04) - decrease by 2,025 LF @ \$1.78 = \$3,604.50 **Deduct**
- Item 15 Adjustment of Quantity (Bid Item 9.05) - decrease by 2,025 LF @ \$0.26 = \$526.50 **Deduct**
- Item 16 Adjustment of Quantity (Bid Item 9.06) - increase by 850 LF @ \$1.78 = \$1,513.00 **Add**
- Item 17 Adjustment of Quantity (Bid Item 9.07) - increase by 29 LF @ \$6.90 = \$200.10 **Add**

Attachments: None

<u>CHANGE IN CONTRACT PRICE:</u>	<u>CHANGE IN CONTRACT TIMES:</u>
Original Contract Price: \$3,197,273.15	Original Contract <input type="checkbox"/> Working <input checked="" type="checkbox"/> Calendar Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016
<input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: \$54,566.00	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: Substantial completion (days): Ready for final payment (days):
Contract Price prior to this Change Order: \$3,251,839.15	Contract Times prior to this Change Order: Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016
<input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease of this Change Order: \$48,860.92	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: Substantial completion (days): Ready for final payment (days):
Contract Price incorporating this Change Order: \$3,202,978.23	Contract Times with all approved Change Orders: Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: <u></u> Engineer (Authorized Signature)	By: _____ Owner (Authorized Signature)	By: <u></u> Contractor (Authorized Signature)
Date: <u>7/25/16</u>	Date: _____	Date: <u>7-11-17</u>

Change Order No. 6

Project: Ames Water Treatment Plant - Contract 1 Utilities	Date of Contract: March 24, 2015
Owner: City of Ames	Owner's Contract No.: 2015-118
Engineer: FOX Engineering	Engineer's Project No.: 3338-12C
Contractor: S.M. Hentges	Date of Issuance: August 11, 2016

The Contract Documents are modified as follows upon execution of this Change Order:

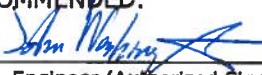

DESCRIPTIONS:

Additional Work:

- Item 1 CO Req. 15, Remove abandoned 18" CMP and Intakes = \$1,950.32 **Add**
- Item 2 CO Req. 16, Crossing under existing lime sludge line = \$11,673.53 **Add**
- Item 3 CO Req. 17A, Excavating and checking tracer wire near east gate = \$6,714.23 **Add**
- Item 4 CO Req. 18A, Excavating and checking tracer wire near 5 MG reservoir = \$5,330.59 **Add**

Attachments: S.M Hentges CO Requests: 15, 16, 17A, 18A

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$3,197,273.15	Original Contract <input type="checkbox"/> Working <input checked="" type="checkbox"/> Calendar Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016
<input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: \$5,705.08	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: Substantial completion (days): Ready for final payment (days):
Contract Price prior to this Change Order: \$3,202,978.23	Contract Times prior to this Change Order: Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016
<input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: \$25,668.67	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: Substantial completion (days): Ready for final payment (days):
Contract Price incorporating this Change Order: \$3,228,646.90	Contract Times with all approved Change Orders: Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016

RECOMMENDED: By: <u></u> Engineer (Authorized Signature) Date: <u>8/26/16</u>	ACCEPTED: By: _____ Owner (Authorized Signature) Date: _____	ACCEPTED: By: <u></u> Contractor (Authorized Signature) Date: <u>8/31/16</u>
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S.M. Hentges & Sons Inc.
 650 Quaker Avenue Jordan, MN 55352
 952.492.5700 Fax 952.492.5705

To: Fox Engineering
 John Washington
 Aspen Business Park
 414 South 17th Street
 Suite 107
 Ames, IA 50010

C/O Req #	15
Date of Req	3.31.16
W/O #	1236

Job No.	Job Description	Job Location
15-871	Ames Water Treatment Contract 1	Ames, Iowa

DESCRIPTION OF WORK PERFORMED: Work Done 12/7/15

Following are costs to rip out old 18" CMP old lime sludge pipe from STA 13+40 to 13+70 and STA 14+13 to 15+35 for a total of 152LF of pipe. Took out 2 existing intakes that were tied into old existing 18" CMP that were abandoned. Cemented abandoned 10" and hauled away all materials.

Date	QTY	U/M	Description	Unit Price	Amount
	2	HR	Foreman w/ Pickup & tools	\$136.00	\$272.00
	2	HR	345 Cat Backhoe & Operator	\$252.00	\$504.00
	2	HR	950 Cat Loader & Operator	\$178.00	\$356.00
	2	HR	Tri Axle Dump Truck & Driver	\$99.00	\$198.00
	4	HR	Pipelayers (2ea)	\$82.00	\$328.00
	2	EA	Sand crete	\$5.50	\$11.00
	1	LS	Dump fee	\$100.00	\$100.00

Total \$1,769.00
5% Profit \$88.45
5% Overhead \$92.87
Total Due \$1,950.32

Please issue a change order for the above amount

Sincerely,

Gary Zajac
 VP of Operations

15

14-871

#1236 12/7/15

Bryant



Ripped out 18" cmp old lime sludge line pipe from STA 13+40 to 13+70 and STA 14+13 to 15+35 for a total of 152 ft of pipe that was taken out because it was on top of our line . Took out 2 existing intakes that were tied into the 18" cmp at STA 14+13 and 15+35 that were abandoned . Plugged abandoned 10" line that was coming out of structure at STA 14+35 and east . Tim smashed all the cmp and loaded it out on 1 load .



S.M. Hentges & Sons Inc.
 650 Quaker Avenue Jordan, MN 55352
 952.492.5700 Fax 952.492.5705

To: Fox Engineering
 John Washington
 Aspen Business Park
 414 South 17th Street
 Suite 107
 Ames, IA 50010

C/O Req #	16
Date of Req	3.31.16
W/O #	1235

Job No.	Job Description	Job Location
15-871	Ames Water Treatment Contract 1	Ames, Iowa

DESCRIPTION OF WORK PERFORMED:

At station 17+79 we had to cross the existing old lime sludge line. We used 4 - 24" Bends to get under. There was an existing communication cable that was in conflict with the proposed grade of 24" watermain. We had to lower watermain 2" to go under existing communication cable. Following are costs to do this work.

Date	QTY	U/M	Description	Unit Price	Amount
	6	HR	Foreman w/ Pickup & tools	\$136.00	\$816.00
	6	HR	345 Cat Backhoe & Operator	\$252.00	\$1,512.00
	6	HR	950 Cat Loader & Operator	\$178.00	\$1,068.00
	12	HR	Pipelayers (2ea)	\$82.00	\$984.00
	4	HR	24" DIP MJ Bends	\$735.00	\$2,940.00
	8	EA	24" Megalugs	\$285.00	\$2,280.00
	8	LS	Concrete	\$123.53	\$988.24

Total \$10,588.24
5% Profit \$529.41
5% Overhead \$555.88
Total Due \$11,673.53

Please issue a change order for the above amount

Sincerely,

Gary Zajac
 VP of Operations

HDSUPPLY WATERWORKS

gary
JAN 08 2016
INVOICE

Invoice # **E934247**
 Invoice Date **12/31/15**
 Account # **133817**
 Sales Rep **WADE SCHERER**
 Phone # **515-986-4000**
 Branch # **223**
 Total Amount Due **\$4,920.00**

1830 Craig Park Court
 St. Louis, MO 63146

Remit To:
 HD SUPPLY WATERWORKS, LTD.
 PO BOX 28330
 ST. LOUIS, MO 63146

469 1 MB 0.439 E0459X I0629 D1587409173 P3033427 0001:0004



S M HENTGES & SONS INC
 650 QUAKER AVE
 JORDAN MN 55352-4562

Shipped to:
 710 EAST 13TH STREET
 Jim 612.919.4673
 AMES, IA


118
Jemaccini

CUSTOMER JOB- 15-871 AMES NEW WTP 1

Thank you for the opportunity to serve you! We appreciate your prompt payment.

Date Ordered	Date Shipped	Customer PO #	Job Name	Job #	Bill of Lading	Shipped Via
12/17/15	12/30/15	15-871	AMES NEW WTP 1	15-871		OUR TRUCK

Product Code	Description	Quantity		B/O	Price	UM	Extended Price
		Ordered	Shipped				
21AMF8242024PV	24 MEGALUG F/C900/IPS 2024PV EBAA BID SEQ# 200	8	8	<i>OK</i>	285.00000	EA	2,280.00
21I241M	24 MJ 11-1/4 BEND(I)CP DI C153 BID SEQ# 1770	4	4	<i>W</i>	660.00000	EA	2,640.00
21AMG124	24 MJ REGULAR GASKET F/DI BID SEQ# 2900	20	20	<i>W</i>		N/C EA	
21AMB10750CTB	3/4X5 T-HEAD B&N COR BLUE BID SEQ# 2950	128	128	<i>W</i>		N/C EA	




Invoices by Email

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- Save trees.
- Go paperless.

www.hdswaterworks.com

Sign up under the Online Services menu option and find out about a host of other online advantages!



Local Knowledge
Local Experience
Local Service, Nationwide®

Freight Delivery Handling Restock Misc.

Subtotal: **4,920.00**
 Other: **0.00**
 Tax: **0.00**
Invoice Total: \$4,920.00

Terms: NET 30

Ordered By: JIM

This transaction is governed by and subject to HD Supply Waterworks' standard terms and conditions, which are incorporated by reference and accepted. To review these terms and conditions, please visit: www.waterworks.hdsupply.com/TandC.

HD SUPPLY WATERWORKS

INVOICE

1830 Craig Park Court
St. Louis, MO 63146

SEP 29 2015

Invoice # **E507528**
 Invoice Date **9/23/15**
 Account # **133817**
 Sales Rep **WADE SCHERER**
 Phone # **515-986-4000**
 Branch # **223 Grimes, IA**
 Total Amount Due **\$43,917.51**

HOLD
 Date 9/30/15 Sign GZ
 Reason PERMITS
 Release Date _____ Sign _____
 Ref Invoice _____

Remit To:
 HD SUPPLY WATERWORKS, LTD.
 PO BOX 28330
 ST LOUIS, MO 63146



S M HENTGES & SONS INC
 650 QUAKER AVE
 JORDAN MN 55352-4562

Shipped to:
 1800 EAST 13TH STREET
 MERLE E. 612.919.2777
 AMES, IA

CUSTOMER JOB- 15-871 AMES NEW WTP 1

Thank you for the opportunity to serve you! We appreciate your prompt payment.

Date Ordered	Date Shipped	Customer PO #	Job Name	Job #	Bill of Lading	Shipped Via
9/15/15	9/21/15	15-871	AMES NEW WTP 1	15-871		OUR TRUCK

Product Code	Description	Quantity		B/O	Price	UM	Extended Price
		Ordered	Shipped				
/19213903775	24" X 4'-6" FLG X PE DIP	2		2	1275.00000	EA	.00
24I24FB	24 BLIND FLANGE (I) DI C110	2		2	665.00000	EA	.00
24AFGFR24A	24X1/8 FLG FF RR GASKET	2		2	25.00000	EA	.00
/21013903776	24" ZINC N/B SET BFV X FLG	4		4	70.00000	EA	.00
96PW2454220	24" POLYWRAP 54"X220' LAYFLAT	880	880 ✓		.85000	FT	748.00
96PW0824	8" POLYWRAP 24 LAYFLAT 440'	440	440 ✓		.39000	FT	171.60
96POLYWRAP36X	36" POLYWRAP 81"X110' LAYFLAT	550	550 ✓		1.45000	FT	797.50
96PW3067154	30" POLYWRAP 67"X154' LAYFLAT	220	220 ✓		1.10000	FT	242.00
21I24CT	24 MJ CAP (I) CP DI C153	4	4 ✓		350.00000	EA	1,400.00
21I244M	24 MJ 45 BEND(I) CP DI C153	4	4 ✓		735.00000	EA	2,940.00
21AMG124	24 MJ REGULAR GASKET F/DI	15	15 ✓		N/C	EA	
21AMB11060CTB	1X6 T-HEAD B&N COR BLUE	632	632 ✓		N/C	EA	
21AMB10750CTB	3/4X5 T-HEAD B&N COR BLUE	240	240 ✓		N/C	EA	
FAOC	FAOC	1		1	.02000	EA	.00

Freight Delivery Handling Restock Misc.

Subtotal: **43,917.51**
 Other: **0.00**
 Tax: **0.00**
 Invoice Total: **\$43,917.51**

Terms: NET 30

Ordered By: GARY ZAJAC

This transaction is governed by and subject to HD Supply Waterworks' standard terms and conditions, which are incorporated by reference and accepted. To review these terms and conditions, please visit: www.waterworks.hdsupply.com/TandC.



P.O. Box 69
 Jordan, MN 55352-0069
 (952) 492-5700

1235

FIELD WORK ORDER

(FOR EXTRA WORK, TIME & MATERIAL WORK AND BACKCHARGES)

Clear Entire Form

Date 12/10/15
 Bill to Ames water treatment plant
 Address _____
 Project No. 15-871 Project Name Ames water treatment plant
 Location/Station of Work Performed 17+59 to 17+79
 Reason for Work Performed _____

Installed 4 - 45 degree bends to get under the electric that was into our flow line of pipe by 6 tenths .
Ex. Communications cable

LABORERS & SUPERVISION

EMPLOYEE	TRADE	M	T	W	T	F	S	S	TOTAL HRS	RATE	TOTAL
Jason Bryant	Foreman				6				6		0
Rich Freeman	Labor				6				6		0
Geoff Anderson	Labor				6				6		0
									0		0
									0		0
									0		0
									0		0

LABOR SUB TOTAL \$ 0.00

EQUIPMENT

EMPLOYEE	EQUIP. NO.	DESCRIPTION	M	T	W	T	F	S	S	TOTAL HRS	RATE	TOTAL
Richard Anderson	20-093	Cat 345 track hoe					6			6		0
Tim Rastou	30-089	cat 950 H wheel loader					6			6		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0

EQUIPMENT SUB TOTOAL \$ 0.00

MATERIAL & OTHER CHARGES

DESCRIPTION	Where did you get it?	QUANTITY	UNIT COST	TOTAL
45 degree bends	HD supply	4		0
mega lugs and accessories	HD supply	8		0
concrete	Manatts	8 yrds		0
				0
				0

MATERIAL SUB TOTAL \$ 0.00
 LABOR SUB TOTAL \$ 0.00
 EQUIPMENT SUB TOTAL \$ 0.00
 PROFIT AT 0% & O.H. AT 0% \$ 0.00
 TOTAL BILLED \$ 0.00

REQUESTED BY (Signature)
Jason Bryant
 WORK ORDER PREPARED BY _____



S.M. Hentges & Sons Inc.
 650 Quaker Avenue Jordan, MN 55352
 952.492.5700 Fax 952.492.5705

To: Fox Engineering
 John Washington
 Aspen Business Park
 414 South 17th Street
 Suite 107
 Ames, IA 50010

C/O Req #	17A
Date of Req	3.31.16
W/O #	1378

Job No.	Job Description	Job Location
15-871	Ames Water Treatment Contract 1	Ames, Iowa

DESCRIPTION OF WORK PERFORMED: (Work Done - 4/18/16)

City would not accept new Tracer wire as their Tracer machine would not trace by East gate. S.M. Hentges dug up wire by East gate. We could trace with our machine, city could not with theirs. Existing electronic voltage interfered with Cities locator machine. City accepted what was there. Following are costs to dig up and back fill this area.

Date	QTY	U/M	Description	Unit Price	Amount
	12.5	HR	Superintendent w/ Pickup & tools	\$136.00	\$1,700.00
	12.5	HR	321 Cat Backhoe & Operator	\$176.00	\$2,200.00
	12.5	HR	277 Cat Skidsteer	\$72.00	\$900.00
	12.5	HR	Pipelayer	\$82.00	\$1,025.00
	20	TON	CL A Roadstone	\$13.25	\$265.00

Total \$6,090.00
5% Profit \$304.50
5% Overhead \$319.73
Total Due \$6,714.23

Please issue a change order for the above amount

Accepting this change order will add _____ additional days to the contract.

Sincerely,

Gary Zajac
 VP of Operations



P.O. Box 69
 Jordan, MN 55352-0069
 (952) 492-5700

1378

Handwritten notes:
 Logged
 6/23/16

FIELD WORK ORDER
 (FOR EXTRA WORK, TIME & MATERIAL WORK AND BACKCHARGES)

Clear Entire Form

Date 4/18/16
 Bill to Ames water treatment plant
 Address Ames Iowa
 Project No. 15-871 Project Name Ames Treatment Plant
 Location/Station of Work Performed Sta A5+36
 Reason for Work Performed _____

Spent all day digging up tracer wire that they could not locate by the east gate. Hand dug and located the 2 conduits and the loop for the gate. Removed the loop so we could dig up the tracer wire. Then started digging for the tracer wire where the ground rod is. Found the

LABORERS & SUPERVISION

EMPLOYEE	TRADE	M	T	W	T	F	S	S	TOTAL HRS	RATE	TOTAL
Geoff Anderson	Labor	12.5							12.5		0
Jim Larson	Superintendant	12.5							12.5		0
									0		0
									0		0
									0		0
									0		0
									0		0

LABOR SUB TOTAL \$ 0.00

EQUIPMENT

EMPLOYEE	EQUIP. NO.	DESCRIPTION	M	T	W	T	F	S	S	TOTAL HRS	RATE	TOTAL
Jason Bryant	20-080	321 cat track hoe	12.5							12.5		0
	45-158	259b track skid loader	12.5							12.5		0
	70-067	Ford pick-up	12.5							12.5		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0

EQUIPMENT SUB TOTOAL \$ 0.00

MATERIAL & OTHER CHARGES

DESCRIPTION	Where did you get it?	QUANTITY	UNIT COST	TOTAL
Class a roadstone	martin marietta	20 ton		0
				0
				0
				0

MATERIAL SUB TOTAL \$ 0.00
 LABOR SUB TOTAL \$ 0.00
 EQUIPMENT SUB TOTAL \$ 0.00
 PROFIT AT 0% & O.H. AT 0% \$ 0.00
 TOTAL BILLED \$ 0.00

REQUESTED BY (Signature)
Jason Bryant
 WORK ORDER PREPARED BY _____



S.M. Hentges & Sons Inc.
 650 Quaker Avenue Jordan, MN 55352
 952.492.5700 Fax 952.492.5705

To: Fox Engineering
 John Washington
 Aspen Business Park
 414 South 17th Street
 Suite 107
 Ames, IA 50010

C/O Req #	18A
Date of Req	6.29.16
W/O #	1379

Job No.	Job Description	Job Location
15-871	Ames Water Treatment Contract 1	Ames, Iowa

DESCRIPTION OF WORK PERFORMED: (Work Done - 6/3/16)

City would not accept Tracer wire test on Hyd lead (10') at B2 to 8. S.M. Hentges could trace with our machine. Sawcut concrete road, removed concrete and excavated dirt. Tracer wire was fine. Found stray voltage reading that over road new pipe tracer wire reading. City accepted, following is cost for this work.

Date	QTY	U/M	Description	Unit Price	Amount
	1	LS	Iowa Concrete Cutting	\$300.00	\$300.00
	1	LS	Manatts Concrete Replacement	\$500.00	\$500.00
	1	LS	Rented Concrete Breaker	\$217.00	\$217.00
	1	LS	Rented Mini Excavator	\$160.00	\$160.00
	15.5	HR	259 Cat Bobcat & Operator	\$154.00	\$2,387.00
	15.5	HR	Laborer	\$82.00	\$1,271.00

Total \$4,835.00
5% Profit \$241.75
5% Overhead \$253.84
Total Due \$5,330.59

Please issue a change order for the above amount

Accepting this change order will add _____ additional days to the contract.

Sincerely,

Gary Zajac
 VP of Operations



P.O. Box 69
 Jordan, MN 55352-0069
 (952) 492-5700

1379

FIELD WORK ORDER

(FOR EXTRA WORK, TIME & MATERIAL WORK AND BACKCHARGES)

Clear Entire Form

Date 6/3/16
 Bill to Ames water treatment plant
 Address Ames Iowa
 Project No. 15-871 Project Name Ames water treatment plant
 Location/Station of Work Performed B2+08
 Reason for Work Performed _____

Tracer wire could not be located .
6/1/16 Iowa concrete cutting cut out concrete . 300 dollar min charge
6/3/16 Rented concrete breaker for skid loader and rented mini excavator for digging it up .

LABORERS & SUPERVISION

EMPLOYEE	TRADE	M	T	W	T	F	S	S	TOTAL HRS	RATE	TOTAL
Jason Bryant	Foreman	15.5							15.5		0
Tim Pills	Labor	15.5							15.5		0
									0		0
									0		0
									0		0
									0		0
									0		0

LABOR SUB TOTAL \$ 0.00

EQUIPMENT

EMPLOYEE	EQUIP. NO.	DESCRIPTION	M	T	W	T	F	S	S	TOTAL HRS	RATE	TOTAL
Jason Bryant	45-158	259 b track skid loader	15.5							15.5		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0
										0		0

EQUIPMENT SUB TOTOAL \$ 0.00

MATERIAL & OTHER CHARGES

DESCRIPTION	Where did you get it?	QUANTITY	UNIT COST	TOTAL
Mini Excavator for 2 days and concrete breaker for 1 day	Star equipment Ames		547.00 total rent	0
Iowa concrete cutting			300.00 min	0
Manatts concrete		.67 of a yard	?	0
				0
				0

MATERIAL SUB TOTAL \$ 0.00
 LABOR SUB TOTAL \$ 0.00
 EQUIPMENT SUB TOTAL \$ 0.00
 PROFIT AT 0% & O.H. AT 0% \$ 0.00
 TOTAL BILLED \$ 0.00

REQUESTED BY (Signature)
 Jason Bryant
 WORK ORDER PREPARED BY

1379 Bryant 15-871 6/1/16

Tracer wire could not be located .

6/1/16 Iowa concrete cutting cut out concrete . 300 dollar min charge

6/3/16 Rented concrete breaker for skid loader and rented mini excavator for digging it up . Went and picked both up from star equipment . Rental on that for the day was 382.00.

We ripped out concrete and threw it away in our dumpster . Dug down and exposed the 2" copper and tracer wire . Hooked up to the tracer wire and was getting a very strong signal on it but there was another strong signal that we kept locating and have no idea what . This is the signal that we keep getting from the tracer box and cant locate our line from it because this signal is stronger . Could not get anybody from the city to verify it being it was 2:30 in the afternoon on a friday . Was told to leave hole open and finish it monday . Quit there fenced off hole and returned equipment to

X star .. 9.5 hrs

X 6/10/16 Got permission to backfill hole . Rented Mini excavator from star . Used it to backfill and bucket pack the soil . Plus used the jumping jack . Put 6" of gravel that we dug out to put back for

X the base .4.5 hrs

6/14/16 Manatts came and poured the concrete on the removal . Do not know what they charged .

X 6/16/16 we put black dirt down and raked it out for soil-tec to reseed it . 1.5 hrs

Change Order No. 7

Project: Ames Water Treatment Plant - Contract 1 Utilities	Date of Contract: March 24, 2015
Owner: City of Ames	Owner's Contract No.: 2015-118
Engineer: FOX Engineering	Engineer's Project No.: 3338-12C
Contractor: S.M. Hentges	Date of Issuance: July 11, 2017


The Contract Documents are modified as follows upon execution of this Change Order:

DESCRIPTIONS:


Item 1 Mediation Settlement = \$155,000.00 **Deduct**

Attachments: None

CHANGE IN CONTRACT PRICE:	CHANGE IN CONTRACT TIMES:
Original Contract Price: \$3,197,273.15	Original Contract <input type="checkbox"/> Working <input checked="" type="checkbox"/> Calendar Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016
<input checked="" type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: \$31,373.75	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease from previously approved Change Orders: Substantial completion (days): Ready for final payment (days):
Contract Price prior to this Change Order: \$3,228,646.90	Contract Times prior to this Change Order: Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016
<input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease of this Change Order: \$155,000.00	<input type="checkbox"/> Increase <input type="checkbox"/> Decrease of this Change Order: Substantial completion (days): Ready for final payment (days):
Contract Price incorporating this Change Order: \$3,073,646.90	Contract Times with all approved Change Orders: Substantial completion: March 25, 2016 Ready for final payment: May 25, 2016

RECOMMENDED:
By: 
Engineer (Authorized Signature)
Date: 7.11.2017

ACCEPTED:
By: _____
Owner (Authorized Signature)
Date: _____

ACCEPTED:
By: 
Contractor (Authorized Signature)
Date: 7-11-17

Engineer's Statement of Completion

Project: Ames Water Treatment Plant-Contract 1 Utilities	Date of Contract: March 24, 2015
Owner: Ames, Iowa	Owner's Contract No.: 2015-118
Engineer: FOX Engineering	Engineer's Project No.: 3338-12C
Contractor: S.M. Hentges	

I hereby state that the construction of the Ames Water Treatment Plant – Contract 1 Utilities project dated March 24, 2015 has been satisfactorily completed in general compliance with the terms, conditions, and stipulations of said Contract. The work was completed on July 13, 2016. The Contract Final Completion date was May 25, 2016.

The Contractor exceeded the substantial completion date of March 25, 2016 by 81 days with an actual substantial completion date of June 15, 2016.

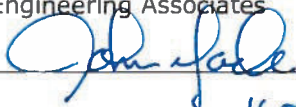
The Contractor exceeded the final completion date of May 25, 2016 by 28 days with an actual final completion date of July 13, 2016.

I further state that the total amount due to the Contractor for the fulfillment of said Contract is \$3,073,646.90. The derivation of this total amount is tabulated below. Total amount paid to the Contractor to date is \$2,989,449.37. \$84,197.53 remains to be paid as indicated in Pay Application No. 9.

Original Contract	\$ 3,197,273.15
Change Order No. 1	\$ 9,256.45
Change Order No. 2	\$ 21,687.60
Change Order No. 3	\$ 16,974.83
Change Order No. 4	\$ 6,647.12
Change Order No. 5	\$ (48,860.92)
Change Order No. 6	\$ 25,668.67
Change Order No. 7	<u>\$ (155,000.00)</u>
Final Contract	\$ 3,073,646.90

Per the attached Mediation Settlement, final payment shall be made to the contractor no later than August 1, 2017.

Signed:

FOX Engineering Associates
 By: 
 Iowa Registration No.: 16015
 Date: 7.11.2017
 FOX PN: 3338-12C.680

Distribution:
 Engineer
 Contractor
 Owner
 IDNR

Accepted by:

Owner: _____
 Resolution: _____
 Date: _____
 Signed: _____
 Title: _____
 Attest: _____