

ITEM #: 19  
DATE: 03-26-24  
DEPT: W&PC

**COUNCIL ACTION FORM**

**SUBJECT: CHANGE ORDER NO. 4 FOR OLD WATER PLANT DEMOLITION**

**BACKGROUND:**

During the demolition of the old Water Treatment Plant, the contractor discovered an unknown subgrade structure adjacent to the two-million-gallon finished water storage reservoir. This was a remnant of a temporary pump station constructed in the 1950s during construction of the permanent pump station. That structure had two active connections to the finished water reservoir, one a 20" pipe and the other a 30" pipe, that needed to be properly cut and capped. The depth of the pipes and the age of the reservoir made the process of abandoning the lines difficult. On October 10, 2023, Council authorized a change order with LinnCo, Inc. to add the abandonment of the lines to the old Water Plant demolition contract in the amount of \$157,692.60.

On November 16, LinnCo began installing shoring to expose the pipe. During that excavation they encountered a storm sewer line was not known to be in the vicinity that needed to be temporarily cut and later restored. LinnCo was able to cap the 20" pipe connected to the reservoir, but discovered that the 30" pipe material was cast iron and not welded steel as expected. Because the outer diameters of the two pipe materials are different, the line stop materials that LinnCo had brought on-site would not work. LinnCo had to excavate under the pipe to obtain an exact diameter dimension, pour a temporary concrete block under the pipe to support it, and then rebury the pipe to protect it from freezing temperatures.

LinnCo returned on January 11, 2024, excavated the pipe, and wrapped it in insulating blankets until the line stop subcontractor could arrive on January 16. That week the temperatures plunged, making it impossible for the line stop to be installed. LinnCo had to rebury the pipe to protect it from freezing. Two weeks later, on January 29, LinnCo and the line stop subcontractor were able to cap the pipe, remove the shoring, riser pipes, and concrete footings, and replace the storm sewer across the excavation site.

**LinnCo has presented a change order request in the amount of \$60,946.04 for the additional labor and materials that were required as a result of the storm sewer and the differing pipe material.** They provided a detailed cost breakdown that has been reviewed by staff and the City's consultant and found to be appropriate. An updated summary of the project expenses and funding is shown below. Because demolition projects frequently include unexpected changes, the Drinking Water State Revolving Fund loan was executed in the amount of \$3.5 million to allow additional contingency for unanticipated work. Funding for this change order is available in the contingency included in the loan agreement.

**Authorized Project Funds**

FY 2018 - FY 2021 CIP	\$ 141,916
FY 2022 CIP	1,288,560
FY 2023 CIP	<u>1,233,000</u>

**Total Authorized Funding** \$ 2,663,476

**Drinking Water State Revolving  
Fund Loan, authorized maximum** \$ 3,500,000

**Project Expenses**

Original Construction Contract	\$ 2,398,000.00
Change Order #1 (Vermiculite removal and adjust quantities of water main work)	401.36
Change Order #2 (Cap 12 " raw water main and adjust contract allowances)	(17,401.90)
Change Order #3 (Cut and cap 20" and 30" connections to reservoir)	157,692.60
<b>Change Order #4 - This Action (Extra work associated with capping reservoir lines)</b>	<b>60,946.04</b>
Engineering	277,200.00
<u>Legal, Admin, Misc</u>	<u>16,450.93</u>
<b>Total Project Expenses</b>	<b>\$ 2,893,289.03</b>

**ALTERNATIVES:**

1. Approve Change Order No. 4 to the contract with LinnCo, Inc. of Sartell, MN for the Old Water Treatment Plant Demolition, thereby increasing the contract amount by \$60,946.04 and adjusting the completion date to April 18, 2024.
2. Do not approve the change order and provide further direction to staff regarding the resolution of the work performed by LinnCo.

**CITY MANAGER'S RECOMMENDED ACTION:**

The demolition of the old Water Treatment Plant came with very few unexpected changes. However, the unknown active pipe connections to the ground storage reservoir was a significant issue that had to be addressed to protect the quality of the finished drinking water in the reservoir. Weather and unknown pipe materials resulted in the cost to complete those pipe disconnections exceeding what was included in the contractor's proposal. Staff and its consultant have reviewed the cost information provided by the contractor and are in agreement with their request. There, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.

**ATTACHMENT(S):**

[CO4&Encl.SAI and Linn Co Executed.3.21.24.pdf](#)