



## INTRA-DEPARTMENTAL MEMO

FROM: Khader Hamad and Grant Gartrell      DATE: February 11, 2019

TO: Sue McCormick, Cheryl Porter, Nickie Bateson, William Wolfson

RE: Contract WS-681 42-Inch Parallel Water Transmission Main, 24 Mile Road between Romeo Plank Road and Rochester Pumping Station  
Final Change Order

The above-referenced contract was substantially and finally completed on July 11, 2016 and October 9, 2016, respectively. No work was performed past the contract end date. The proposed final change order is the only change order for this contract. It extends the contract time to March 31, 2019 to close out and make final payment to the contractor, Ric-Man Construction, Inc. (Ric-Man). The change order also deducts \$2,277,853.80 from the contract amount to account for un-used balances remaining in the contract funds.

A change order was processed in 2016 to close out the contract, but the contractor did not sign the change order because it did not agree with GLWA's assessment of the amounts due for additional or changed work. These items included:

1. **Additional Dewatering at M-53 Crossing (MDOT Permit).** Additional dewatering at a M-53 jack and bore site was required under the MDOT permit after the contract was awarded and as condition to issuing the permit. Ric-Man submitted a claim for \$548,580.04 which was not acceptable. The final negotiated amount is \$281,750.00.
2. **Replace Pre-Construction Grade Per Macomb County Department of Roads (MCDoR).** This additional work was performed to accommodate MCDoR's request that slope corrections be performed as part of the 24-mile Road reconstruction. It resulted in additional earthwork and asphalt paving. The existing road contained slopes ranging from -6% to +6% cross slope. The correction to a 2% average caused many portions of the existing infrastructure to require significantly increased amounts of earthwork and asphalt paving to connect the side streets and driveways back into the newly constructed roadway (as the roadway ended up higher or lower than the existing infrastructure depending on the location). This required significant additional amounts of asphalt wedging that was used per MCDoR permit requirement and was not part of contract documents. Ric-Man submitted a claim for \$422,187.74 which was not acceptable. The final negotiated amount is \$230,000.00.
3. **Unforeseen Condition East of Hayes Road at Station 293+74.** During installation of the new 42-inch water transmission main, a conflict between the elevation of the existing 36-inch water transmission main and the new proposed 42-inch water transmission main was observed. Resolving this conflict required modifications to the alignment of the new 42-inch water transmission main; including but not limited; furnishing and installing additional bends, removing and replacing driveways, sidewalks and storm water. This work was beyond the



- contract scope of work. Ric-Man submitted a claim for \$105,215.54 which was not acceptable. The final negotiated amount is \$66,039.99.
4. **Unforeseen Condition West of Mound Road at Station 87+05.** During installation of new 42-inch water transmission main, an existing utility duct and storm sewer were discovered to be in conflict with the new proposed 42-inch water transmission main. To resolve this conflict the grade of the new water transmission main was adjusted. This additional work included removing previously installed 20" water main, installing four (4) additional 11.5-degree bends, and installing the new 42-inch main at a lower invert elevation to avoid the conflict. Ric-Man submitted a claim for \$161,369.11 which was not acceptable. The final negotiated amount is \$69,309.11.
  5. **Unforeseen Condition on 24-inch Water Main in Shelby Township at Station 242+75.** This additional work involved repairing a Shelly Township 24-inch water main that broke during construction of the new 42-inch water transmission main. The existing 24-inch water main not was shown clearly on the contract drawings. Ric-Man submitted a claim for \$20,734.17 which was not acceptable. The final negotiated amount is \$10,000.00.
  6. **Shelby Township Home Sewer Backup Dispute.** On October 17,2017 David Miller, DPW Director of Shelby Township, informed GLWA that at 13952 24 Mile Road a segment of a long ABS sanitary sewer lead was cut out for the construction of the 42-inch water transmission main and replaced with PVC pipe connected with Fernco fittings. While the pipe material was not the issue apparently between the bedding of the pipe and the flexible Fernco fittings the pipe settled creating a "belly" in the pipe causing a sewer back-up for the Shelby Township homeowner. GLWA had several meetings with Ric-Man and Shelby Township where the conditions of the house sewer lead were reviewed by video taken by Shelby Township. This has been an on-going dispute between GLWA, Ric-Man and Shelby Township that has finally been resolved in February 2019. As part of the resolution, Ric-Man has agreed to share in the cost of the repair of the house sewer lead in Shelby Township. This item does not have a cost impact to the WS-681 contract but has further delayed closing out the contract. This issue was finally resolved during the 1<sup>st</sup> week of February 2019.