



Legislation Text

File #: 2018-991, Version: 1

Proposed Change Order No. 1 (Final)

WS-684A

36-Inch Water Main Telegraph Road, Cherry Hill Avenue to Warren

Agenda of: November 28, 2018

Item No.: **2018-991**

Amount:	Original Contract	\$ 9,061,316.00
	Proposed Change Order No. 1	127,186.62
	Total Revised Contract	\$ 9,188,502.62

TO: The Honorable
Board of Directors
Great Lakes Water Authority

FROM: Sue F. McCormick
Chief Executive Officer
Great Lakes Water Authority

DATE: October 30, 2018

RE: Proposed Change Order No. 1 (Final)
Contract No. WS-684A
36-Inch Water Main Telegraph Road, Cherry Hill Avenue to Warren
Vendor: Ric-man Detroit, Inc.

MOTION

Upon recommendation of Cheryl Porter, Chief Operating Officer - Water and Field Services, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **enter into Contract No. WS-684A Proposed Change Order No. 1 (Final) "36-Inch Water main in Telegraph Road, Cherry Hill Avenue to Warren" with Ric-man Detroit, Inc., at a cost increase of \$127,186.62 for a total not to exceed amount of \$9,188,502.62 and a contract length increase of 920 calendar days for a total contract duration of 1,345 calendar days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

This contract involved the replacement of approximately two (2) miles of existing 36-inch water transmission main with new main along Telegraph Road between Cherry Hill and Warren Avenue. The existing 36-inch main had a history of breaks and was located on the outside of the right-of-way mainly across business driveways. The new 36-inch water transmission main was installed within the median of Telegraph Road as coordinated with Michigan Department of Transportation (MDOT) to reduce impacts to area businesses and residents.

JUSTIFICATION

This change order provides the additional quantities of excavation and material that was needed during the project to address differing and latent site conditions, including avoiding existing buried utilities, addressing contaminated soils, additional tree plantings, and to provide additional road restoration per MDOT requirements in areas where additional piping work was needed. The additional work associated with this change order was performed during the construction to expedite completion of the project to minimize disruption to area businesses, residents, and traffic.

PROJECT MANAGEMENT STATUS

Original Contract Length 425 calendar days
Change Order Time Extension 920 calendar days
Total Contract Length 1,345 calendar days

PROJECT ESTIMATE

Original Contract Price \$ 9,061,316.00
Proposed Change Order No. 1 \$ 127,186.62
New Contract Total \$ 9,188,502.62

FINANCIAL PLAN IMPACT

Summary: Sufficient funds are provided in the financial plan for this project.

Funding Source: Water Construction Bond

Cost Center: Water Engineering

Expense Type: Construction (5519-882411.000-616900-122012)

Estimated Cost by Year and Related Estimating Variance: See table below.

Original Contract Price	\$ 9,061,316.00
Proposed Change Order No. 1	<u>127,186.62</u>
New Contract Total	\$ 9,188,502.62
Financial Plan Estimate	<u>9,061,316.00</u>

Negative Estimating Variance \$ (127,186.62)

SAVINGS, COST OPTIMIZATION, AND REVENUE ENHANCEMENT IMPACT

This project is the installation of a 36-Inch water main in Telegraph Road from Cherry Hill Avenue to Warren Avenue. Cost savings are not determinable at the time of this award.

The award of this change order to the vendor creates a negative estimating variance of \$127,186.62. This variance will be funded from capital reserves.

Project estimate	\$ 9,061,316.00
Contract after proposed change order award	<u>9,188,502.62</u>
Capital reserve adjustment	\$ (127,186.62)

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on November 14, 2018. The Operations and Resources Committee unanimously recommended that the GLWA Board adopt the resolution as presented.

SHARED SERVICES IMPACT

This item does not impact the shared services agreement between GLWA and DWSD.