



Legislation Text

File #: 2020-098, Version: 1

Proposed Change Order No. 1
Contract No. 1802775
Park-Merriman Road 24-Inch Water Main
CIP #122011

Agenda of:	April 22, 2020		
Item No.:	2020-098		
Amount:	Original Contract		\$6,796,714.65
	Proposed Change Order No.1		2,093,850.86
	Total Revised Contract		\$8,890,565.51

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: March 4, 2020

RE: Proposed Change Order No. 1
Contract No. 1802775
Park-Merriman Road 24-Inch Water Main
Vendor: Salenbien Trucking & Excavating, 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. 1802775 Proposed Change Order No. 1 "Park-Merriman Road 24-Inch Water Main" with Salenbien Trucking & Excavating, Inc., at an increased cost of \$2,093,850.86 for a total cost of \$8,890,565.51 and at an increased duration of 54 calendar days for a total contract duration of 784 days;** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

This is the final phase of the Park-Merriman Road 24-inch Water Main construction project that will finish the parallel transmission main serving master meters west of the Michigan Avenue Water Booster Station. The installation of the new water transmission main is from the intersection of Glenwood Road and Venoy Road through a Wayne County Park (Venoy Dorsey Park) to the GLWA Michigan Avenue Water Booster Station. This final phase will replace deduct meters to

direct meters.

Unforeseen contaminated, non-hazardous soils were encountered within Wayne County's Venoy Dorsey Park during construction of this new 24-inch water transmission main. The contaminated soils were removed from the site and properly disposed at a licensed type II solid waste landfill. The cost of this contaminated soils removal and disposal work was \$835,898.68 and was funded using Contract No. 1802775 allowances through Construction Change Directive (CCD) No. 4.

GLWA stopped the work on November 20, 2019 when the contaminated soils were discovered to determine if the soils were non-hazardous or hazardous, where the contaminated soils could be disposed, and the scope of cost of removing and disposing these soils. GLWA authorized the work to resume on January 13, 2020 after CCD No. 4 was executed. The total length of the delay was 54 calendar days, which is the reason for adding 54 calendar days to contract times allotted for Substantial Completion and Final Completion. The original Substantial Completion date was December 13, 2020 and the new Substantial Completion date will be February 5, 2021. The original Final Completion date was March 10, 2021 and the new Final Completion date will be May 4, 2021. The additional cost associated with this 54-day delay is \$143,850.86, which is solely comprised of the Contractor's equipment downtime.

This Change Order is requesting to add \$1,700,000.00 to the Provisional Allowance to cover the following:

1. There will need to be two (2) line stops added at the Michigan Avenue Booster Station to allow adequate pressures to GLWA's Member Partners during the shutdown phases of the project. It should be noted that the local hospital, through our Member Partner, indicated during the design that the expected, lower water main pressures during construction would be adequate. However, they changed their opinion after award of this construction contract. As a result, line stops, that were not part of the original contract scope, will now be needed in order to maintain adequate pressures during construction. The estimated cost of the line stops is \$400,000.00.
2. The total length of new transmission main is 7,000 linear feet and currently the Contractor has installed 1,850 linear feet. With the project at 26 percent complete, the remaining \$1,300,000.00 of requested Provisional Allowance is for possible additional unforeseen differing conditions that may be encountered during the remainder of the project.

This Change Order is also requesting to add \$100,000 to the Utility Relocation Allowance because it was depleted to fund CCD No. 4 mentioned above.

Lastly, this Change Order is requesting to add \$150,000 to the Allowance for Traffic Signal at Merriman and Railroad Crossing because it was also depleted to fund CCD No. 4 mentioned above.

JUSTIFICATION

The additional contract amount and time requested in this proposed change order are a result of unforeseen site conditions that were outside the control of the Contractor. Approval of this change order will allow GLWA to proceed with completion of this transmission main redundancy and master meter improvement project.

PROJECT MANAGEMENT STATUS

Original Notice to Proceed	March 11, 2019
Original Contract Time	730 days
Original Required Substantial Completion Date	December 31, 2020
Original Required Final Completion Date	March 10, 2021

Revised Substantial Completion Date	February 5, 2021
Revised Final Completion Date	May 4, 2021
New Contract Time	784 days

PROJECT ESTIMATE

Original Contract Price	\$6,796,714.65
Proposed Change Order No. 1	2,093,850.86
New Contract Total	\$8,890,565.51

FINANCIAL PLAN IMPACT

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

Funding Source: Water Construction Bond

Cost Center: Field Engineering

Expense Type: Construction (5519-882411.000-616900-122011)

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

Original Contract Price	\$6,796,714.65
Proposed Change Order No. 1	2,093,850.86
New Contract Total	8,890,565.51
Amended Financial Plan Estimate	<u>6,796,714.65</u>
Negative Estimating Variance	(\$2,093,850.86)

The award of this change order to the vendor creates a negative estimating variance of \$2,093,850.86. This variance will be funded from capital reserves.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its April 8, 2020 meeting. The Operations and Resources Committee unanimously recommended that the CEO take appropriate action to implement the resolution consistent with the provisions of GLWA Board Resolution 2020-114.

SHARED SERVICES IMPACT

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