



Legislation Text

File #: 2020-434, Version: 1

Proposed Change Order No. 1
Contract No. PC-795
Pump Station No. 2 Pumping Improvements
CIP No. 211002

Agenda of: December 17, 2020

Item No.: **2020-434**

Amount:	Original Contract:	\$3,275,000.00
	Change Order No.1:	(303,980.00)
	Revised Contract:	\$2,971,020.00

TO: The Honorable
Board of Directors
Great Lakes Water Authority

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

DATE: November 19, 2020

RE: **Proposed Change Order No. 1**
Contract No.: PC-795
Pump Station No. 2 Pumping Improvements
Vendor: Toolcs Contracting Group, LLC
Designer: Arcadis

MOTION

Upon recommendation of Navid Mehram, Chief Operating Officer-Wastewater, the Board of Directors (Board) of the Great Lakes Water Authority (GLWA), authorizes the Chief Executive Officer (CEO) to **grant an extension of 731 calendar days to substantial completion and 792 calendar days to final completion for a total contract duration of 1,768 days for Contract No. PC 795, "Pump Station No. 2 Pumping Improvements" with Toolcs Contracting Group, LLC, and decrease the contract amount with a credit of \$303,980** and authorizes the CEO to take such other action as may be necessary to accomplish the intent of this vote.

BACKGROUND

On October 17, 2016, Great Lakes Water Authority awarded the Contract 'Pump Station No. 2 Pumping Improvements' (PC 795) to Tooles Contracting Group to rehabilitate Pump No. 11 and Pump No. 14. The scope of the improvement includes the increase of the long-term rated capacity, operational efficiency and reliability of the two (2) pumps at the Water Resource Recovery Facility (WRRF). To achieve this goal the contractor and pump manufacture proposed new suction piping and elbow for pumps 11 and 14, a redesigned impeller for both pumps, and replacement of existing magnetic flowmeters to record the accurate flow associated with these pumps. The original required substantial and final completion dates of the project were May 15, 2019 and June 20, 2019, respectively.

On June 13, 2019, the Contractor completed the installation of Pump No.11. Per the contract documents, the contractor completed the 10-day startup and testing and submitted the test results for GLWA's review and approval. GLWA and its consultant (Arcadis) reviewed the submitted test data and determined that the pump did not meet the contract specified performance criteria. In spite of extensive negotiation, no mutual agreement was reached for a fair and equitable compensation for a time extension requested by the Contractor.

On June 7, 2019, GLWA issued a liquidated damage notice to the Contractor and started assessing liquidated damages. Also, GLWA issued a defective work notice to Tooles on November 7, 2019. GLWA's main concern was that pump No. 11's motor exceeded the specified 900 brake horsepower (BHP) during the field tests. In order to alleviate GLWA's concern, Tooles/Flowserve provided a letter from the motor manufacturer stating that the existing motor is capable of continuous operation at 950 HP, which is contrary to the motor nameplate information.

On May 14, 2020, GLWA rendered the services of a third-party Subject Matter Expert (SME) to review the condition of the pump and motor as installed by Tools Contracting Group. The scope includes verification of the pump as installed to determine if the conditions of the equipment exceed the allowable tolerance with the higher horsepower operations. The third-party findings determined that the pump operating parameters are within tolerance of the equipment and premature failure of the equipment is not expected for the installed equipment.

JUSTIFICATION

Tooles Contracting in working with the pump manufacturer was able to achieve 96% of the flow and 92% of the drift expectation, with the exceedance of 5% in BHP as specified in the contract document. Although this is not 100% compliance with the performance requirements specified, the WRRF needs these pumps to meet its NPDES permit requirements.

Because of the reasons above, GLWA decided to seek a reasonable credit amount from Toolles for not meeting the contract requirements. GLWA met with Toolles on October 27, 2020 and agreed to a credit of \$303,980 to GLWA in exchange for acceptance of the pumps not meeting the performance requirements for flow capacity, drift tolerance, and break horsepower. The credit is based on percentages of the cost to refurbish both Pump Nos. 11 and 14 and assumes Pump No.14 will perform at the same level as Pump No.11 or better.

Since the original contract substantial and final completion dates were expired, this proposed change order also requests to extend the substantial completion time by 731 calendar days to May 15, 2021 and extend the final completion time by 792 calendar days to August 20, 2021. As part of the agreement, all the assessed liquidated damages will be refunded to Toolles and new liquidated damages will be assessed per the contract only if the Contractor does not complete the work by the revised substantial and final completion dates.

PROJECT MANAGEMENT STATUS

Original Final Completion Time:	976 days
Original Substantial Completion Time:	940 days
Change Order No.1 Substantial Completion Time :	731 days
Change Order No.1 Final Completion Time:	792 days
New Substantial Completion Time:	1,671 days
New Final Completion Time:	1,768 days

PROJECT ESTIMATE

Original Contract Price:	\$3,275,000.00
Change Order No. 1:	(303,980.00)
New Contract Total:	\$2,971,020.00

FINANCIAL PLAN IMPACT

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

Funding Source: Sewer Construction Bond Fund

Cost Center: Wastewater

Expense Type: Design (5421-892211.000-616900-211002)

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

Original Contract Price:	\$ 3,275,000.00
Proposed Change Order No. 1:	<u>(303,980.00)</u>
Revised Contract Price	\$2,971,020.00

Capital Improvement Plan: The CIP budget for CIP No. 211002 is \$3,275,000.00. PC- 795 original contract value is \$3,275,000. This proposed Change Order No. 1 seeks to decrease the contract value by \$303,980. Therefore, this proposed Change Order has no budget impact to the capital improvement plan.

COMMITTEE REVIEW

This item was presented to the Operations and Resources Committee at its meeting on December 9, 2020. 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.