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TO: Chairperson Christopher Croatt and Members of the Finance Committee

FROM: Utilities Director Chris Shaw

DATE: Thursday, July 25, 2019

SUBJECTS:

- *Change Order #1 to August Winter and Sons in the amount of \$23,835 for the Chemical Systems Upgrade Project resulting in the construction contract being increased to \$722,335 and a decrease in contingency from \$104,775 to \$80,940*
- *Increase project final completion date from May 14, 2019 to August 31, 2019*

BACKGROUND

The AWTF initiated Phase I of this CIP in 2018 following a preliminary engineering study in 2017. The engineering identified a plan for upgrading and modifying various chemical systems. Evidence of chemical deterioration had been observed as the age of some of the critical storage (e.g., fiberglass tanks) and conveyance components (e.g., PVC pipes, pumps, etc.) had approached or exceeded the normally expected life (i.e., 10-15 years). That report was utilized to develop a priority strategy based on system condition, criticality to treatment, and costs.

Phase I systems engineered for construction during 2018 include sodium hypochlorite, fluoride, ferric sulfate, polymer, and carbon dioxide (meters). McMahan and Associates were selected as the design engineer and were tasked to develop bidding documents, obtain necessary regulatory approvals, serve as the construction manager and perform contract administration services.

Contractor award of the project went to August Winter and Sons which provided the least cost construction quote. Their quote was received at \$698,500. Due to the complexity of working with existing systems a 15 % of contingency of \$104,775 was recommended by staff and approved by the Common Council.

CHANGE ORDER #1

Change Order #1 is an aggregate of a number of small changes to the original contract. This change order consists of items that were the result of discoveries during construction, operability improvement inputs from staff, and changes in equipment models from the Manufacturer.

I concur with McMahon Associates as to the changes being necessary for the success of the project. Furthermore, the pricing received was also found to be of good value and fair. A summary of the change order elements and pricing is attached.

SUMMARY

The Chemical System Upgrade Project is currently in use and nearing final completion. Change Order #1 to August Winter and Sons is in the amount of \$23,835 is a number of improvements that were necessary for the success of the project. The Chemical Systems Upgrade Project construction contract increased to \$722,335 and a decrease in the contingency from \$104,775 to \$80,940. Finally, an extension of the project final completion was made from May 14, 2019 to August 31, 2019.