Chandler · Arizona Where Values Make The Difference	PURCHASING ITEM FOR COUNCIL AGENDA Memo No. CP15-274	1. Agenda Item Number: 17
		2. Council Meeting Date: June 25, 2015

TO:	**MAYOR & COUNCIL**	**3. Date Prepared**: June 3, 2015
THROUGH:	**CITY MANAGER**	**4. Requesting Department**: Transportation & Development

5. SUBJECT: Contract Change Order to Nesbitt Contracting Co., Inc., for McQueen Road Improvements (Ocotillo Road to Chandler Heights Road)

6. RECOMMENDATION: Staff recommends City Council approve Change Order No. 3 to a construction contract with Nesbitt Contracting Co., Inc., Contract No. ST0810.402, for McQueen Road Improvements (Ocotillo Road to Chandler Heights Road), in an amount not to exceed $176,760.00, for a revised contract amount of $4,352,651.15.

7. BACKGROUND/DISCUSSION: On September 11, 2014, City Council approved a construction contract with Nesbitt Contracting Co., Inc., for McQueen Road Improvements (Ocotillo Road to Chandler Heights Road).

Change Order No.1 was an Administrative Change Order to extend the contract time by 21 calendar days due to Salt River Project (SRP) failing to schedule 12kV overhead power relocations and conductors. Curb and gutter critical path work could not be conducted by the City contractor until the SRP work was completed.

Change Order No. 2 was an Administrative Change Order to establish a Force Account Work due to an unforeseen sewer stub issue. The newly establish Force Account was created by transferring money from an existing Force Account (Roadway and Concrete Flatwork) and did not increase the contract total amount.

Change Order No. 3 will replace the existing asphalt pavement that is now 12 to 14 years old in the northbound lanes of McQueen Road with new, uniformly thick 5-inch asphalt pavement. It was anticipated this project would save the bottom half of the existing asphalt along a portion of the northbound lanes of McQueen Road by milling off the top two (2) inches and repaving with new asphalt. The typical asphalt pavement thickness for Chandler projects is 5-inches. This was designed for the widening portions of this McQueen Road project. During the milling of the existing asphalt, the contractor discovered portions of the pavement that appeared (and later confirmed) to be thinner than anticipated and other areas that displayed deterioration, which would require at least spot removal and replacement. A more complete analysis of the pavement condition also brought into question a concern for how the 1-inch difference between the pavement sections would perform over time. This replacement will be more durable and will match the life-cycle of the new pavement placed in the southbound direction for consistency of asset management in future years.

8. EVALUATION PROCESS: City staff reviewed the costs submitted by Nesbitt Contracting Co., Inc., and found them to be consistent with the project bid unit quantities and historical costs for similar work. The costs associated with this request will use the existing bid unit price and increase the quantity. All other costs associated with removal and replacement will be absorbed within the current contract limits.

Due to the unforeseen conditions and additional project scope, this change order is adding 16 calendar days to the construction schedule for a revised completion date of July 31, 2015.

9. FINANCIAL IMPLICATIONS:

Cost:

Original Contract:	$ 4,175,891.15	
Change Order No. 1	$ 0.00	(21 days Schedule Extension – Private Utility Conflicts)
Change Order No. 2	$ 0.00	(Field Quantity Adjustments)
Change Order No. 3	$ 176,760.00	
Adjusted Contract Price	$ 4,352,651.15	
Savings:	N/A	
Long Term Costs:	N/A	

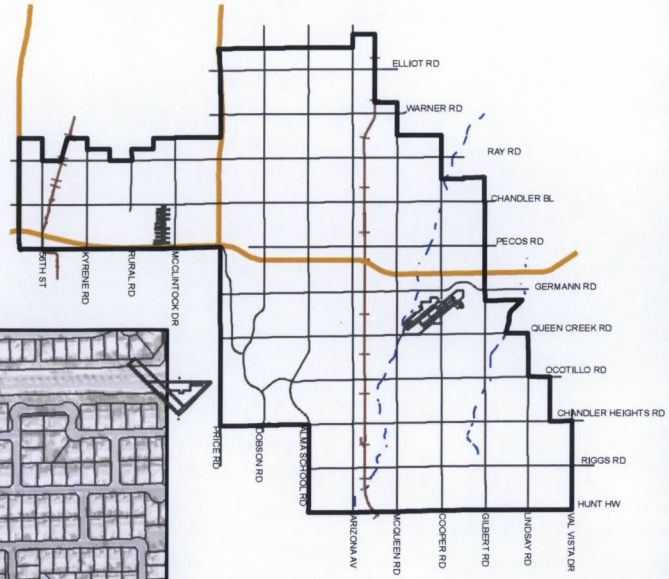
Funding Source:

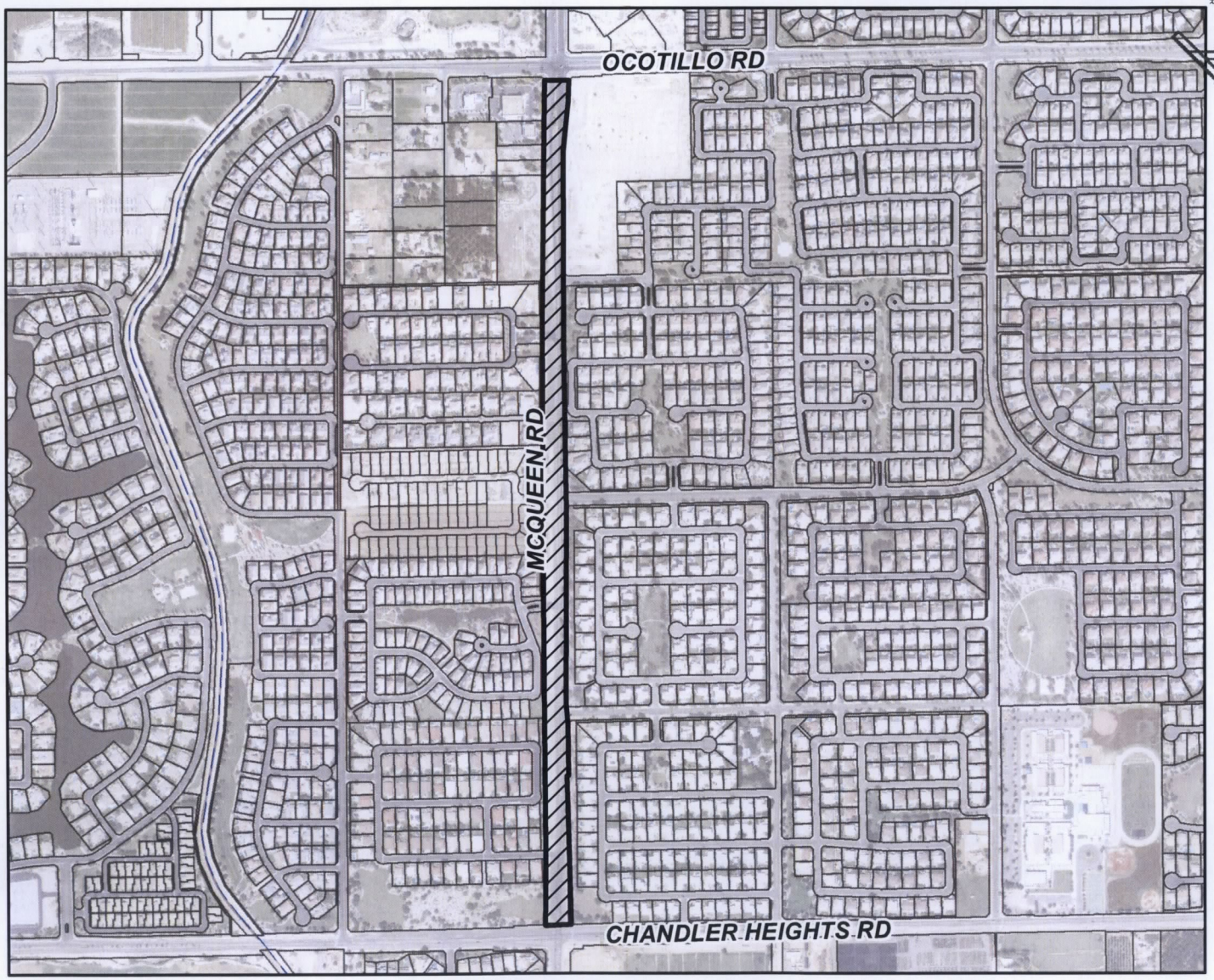
Account No.:	Fund Name:	Program Name	CIP Funded:	Amount:
415.3310.6517.0.6ST478.0	GO Bonds	McQueen Rd (Queen Creek to Riggs)	Yes	$176,760

10. PROPOSED MOTION: Move City Council approve Change Order No. 3 to a construction contract with Nesbitt Contracting Co., Inc., Contract No. ST0810.402, for McQueen Road Improvements (Ocotillo Road to Chandler Heights Road), in an amount not to exceed $176,760.00, for a revised contract amount of $4,352,651.15.	
ATTACHMENTS: Change Order No.1, Change Order No. 2, Change Order No. 3, Location Map	
APPROVALS	
11. Requesting Department Bob Fortier, Capital Projects Manager	**13. Department Head** R.J. Zeder, Transportation & Development Director
12. Transportation & Development Daniel W. Cook, City Engineer	**14. Acting City Manager** Marsha Reed

Chandler + Arizona

MCQUEEN ROAD IMPROVEMENTS
(OCOTILLO ROAD TO CHANDLER HEIGHTS ROAD)
PROJECT NO. ST0810.402 CHANGE ORDER NO. 3





MEMO NO. CP15-274

PROJECT SITE

NTS

F:\ENGINEER\GENSERV\ ArcMap Shared\Map Requests\Capital Projects\CP15-274 McQUEEN IMP-OCOTILLO TO CHANDLER HEIGHTS\CP15-274.mxd 6/5/2015 SALLYB

CITY OF CHANDLER
CHANGE ORDER NUMBER 1
DATE 4/16/2015

This Change Order in not valid until signed by both the City and the Contractor. Signature of the Contractor indicates agreement herewith, including any adjustments in the Contract Price or Contract Time.

PROJECT NAME:	**McQueen Road Improvements, Chandler Heights Road to Ocotillo Road**	CONTRACTOR:	**Nesbitt Contracting Co., Inc.**
PROJECT NO.:	**ST0810.402; CHN-0(217)D; SS91801C**	COST ACCT #:	**No Cost Implication**
USER DEPT:	**Transportation & Development**	NTP DATE:	**10/27/2014**

TO: **Nesbitt Contracting Co., Inc.**
(CONTRACTOR)

YOU ARE DIRECTED TO MAKE THE FOLLOWING CHANGES TO THIS CONTRACT:
(Describe changes in detail (Exhibit A) and/or cost breakdown sheet (Exhibit B), if applicable)

See Exhibit A

These changes result in the following adjustments of contract amount and time:

Original Contract amount:	**$4,175,891.15**
Current Contract amount, prior to this Change Order: (including previous change orders)	**$4,175,891.15**
Net change resulting from this Change Order: (if over $50,000 from Contract amount previously approved by Council, Council action is required)	**$0.00**
Revised Contract amount, including this Change Order:	**$4,175,891.15**
Last Contract amount approved by Council:	**$4,175,891.15**
Change Order % of last Contract amount approved by Council: (if over 10% of previous amount approved by Council, Council action is required)	**0.0%**

Contract time or completion date prior to this Change Order: (including previous change orders) **240** Days or **6/24/15** Date

Net change resulting from this Change Order: **21** Calendar Days

Revised contract time and completion date: **261** Days or **7/15/15** Date

THE ABOVE IS AGREED TO BY:

JOE CHAVEZ — CONTRACTOR; Joe Chavez — Signature; 4/24/15 — Date

CITY OF CHANDLER): Bob Fortier 5/14/15

For Change Orders less than $50,000 or less than 10% of Contract amount approved by Council, **or** for Revised Contract amount totaling less than $50,000.

DEPARTMENT DIRECTOR / DESIGNEE — Date: 5-27-15

Or (but not both)
For Change Orders of $50,000 or more, or 10% or more of last Contract amount approved by Council:

MAYOR — Date

Approved by Council on: _____ Date

Attest: City Clerk — Date: 6-2-2015

Approved as to Form: _____

City Attorney by (initials): _____

E-copy Project Analyst Project Support Asst Owner Project Mgr Ong - City Clerk
Rev 6/5/13

EXHIBIT A

Two sections of 12kV overhead power were to be relocated underground as part of the project. The contractor's scope of work included installing conduit in an underground trench for two overhead power sections within the project limits: The north section is roughly defined as +/-Sta. 142+50 to +/-Sta. 150+75 and the south section is roughly defined as +/-Sta. 126+00 to +/-Sta. 133+00. Once the underground conduit was installed by the contractor, SRP crews were to install conductors; switching cabinets; transformers and other equipment; transition the power to the new underground system; and remove the overhead wire and poles from the project by Utility Agreement between SRP and the City of Chandler.

The contractor had the north section underground conduit ready by December 22, 2014 and the south section underground conduit ready by January 6, 2015 for SRP crews to begin their work. SRP crews arrived on-site February 2, 2015 and completed their work by February 18, 2015. Allowing for a reasonable duration for SRP to schedule the work once the conduit was completed, for SRP to perform their work and accounting for Holidays, the difference of 21 Calendar Days between January 28, 2015 and February 18, 2015 directly delayed the critical path for the project.

Although the contractor had requested $37,059.85 for the cost incurred due to the delay, this agreement will not compensate the contractor for these costs in accordance with Article 13.4 of the General Conditions of the Contract. Since the time delay is beyond the control of both the City and the Contractor, both parties agreed to 21 days of delay to the Critical Path and controlling items of work under Article 13.4.

PHONE: (480) 423-7600
FAX: (480) 423-7680

EQUAL OPPORTUNITY EMPLOYER

Nesbitt Contracting Co., Inc.

GENERAL ENGINEERING CONTRACTOR
LICENSE NO: ROC074063A

100 S. Price Road, Tempe, AZ 85281

March 3, 2015

Allan Zimmerman,
Project Manager
City of Chandler
PO Box 4008, MS 407
215 E Buffalo Street, Suite 101
Chandler, AZ 85244-4008

Re: McQueen Road Improvements
City Project No. ST0810.402
Federal Aid No. CHN-0(217)D
Tracs No. SS91801C

Subject: Project Delays

Mr. Zimmerman,

We submit the price of $37,059.85 for the cost incurred by Nesbitt due to the delay in both SRP overhead/underground conversion and the RWCD precon. The original contract documents call for the project to be substantially complete by May 25th, 2015 and my revised schedule shows a substantial completion by July 15th, 2015. Attached is a breakdown and backup of this cost, as well as a copy of the updated schedule.

Please contact me if you have any questions.

Sincerely,

Aaron Lucchesi
Project Manager
602-339-0872

CHANGE ORDER REQUEST
3/3/2015

Project: McQueen Rd	
Trace:	
Project NO:	
DESCRIPTION: Time Extension due to conflicts	

LABOR	TITLE	HOURS	WAGE RATE	FRINGE	HOURLY RATE	OVERHEAD 0.50	TOTAL HOURLY	TOTAL
Superintendent		272	$ 43.75	$ 4.46	$ 48.21	$ 24.11	$ 72.32	$ 19,669.68
Project Manager		68	$ 43.45	$ 1.56	$ 45.01	$ 22.51	$ 67.52	$ 4,591.02
						$ -	$ -	$ -
						$ -	$ -	$ -
						$ -	$ -	$ -
						$ -	$ -	$ -
						$ -	$ -	$ -
						$ -	$ -	$ -
								$ -
								$ -

SUBTOTAL LABOR		$ 24,260.70
MARKUP	0.15	
TOTAL LABOR		$ 24,260.70

MATERIAL		QTY	UNIT	PRICE				TOTAL
Traffic Control Labor		48	Days	$ 110.00				$ 5,280.00
								$ -
								$ -

SUBTOTAL MATERIAL		$ 5,280.00
MARKUP	0.15	$ 792.00
TOTAL MATERIAL		$ 6,072.00

EQUIPMENT		HOURS	RATE					TOTAL
F150 Pickup		272	$ 14.01					$ 3,810.72
F150 Pickup		68	$ 14.01					$ 952.68
								$ -
								$ -
								$ -
								$ -

SUBTOTAL EQUIP		$ 4,763.40
MARKUP	0.15	
TOTAL EQUIP		$ 4,763.40

SUBCONTRACTORS		QTY	UNIT	PRICE				TOTAL
								$ -
								$ -

SUBTOTAL SUBS		$ -
MARKUP	0.1	$ -
TOTAL SUBS		$ -

SUMMARY

LABOR		$	24,260.70
MATERIAL		$	6,072.00
EQUIPMENT		$	4,763.40
SUBCONTRACTORS		$	-
SUBTOTAL		$	35,096.10
BOND	0.005	$	175.48
		$	35,271.58
TAX	0.0507	$	1,788.27
GRAND TOTAL		$	37,059.85

QTY	UNIT	UNIT PRICE
1	EA	$ 37,059.85

PHONE: (480) 423-7600
FAX: (480) 423-7680

EQUAL OPPORTUNITY EMPLOYER

Nesbitt Contracting Co., Inc.

GENERAL ENGINEERING CONTRACTOR
LICENSE NO: ROC074063A

100 S. Price Road, Tempe, AZ 85281

January 14, 2015
Allan Zimmerman,
Project Manager
City of Chandler
PO Box 4008, MS 407
215 E Buffalo Street, Suite 101
Chandler, AZ 85244-4008
Re: McQueen Road Improvements
City Project No. ST0810.402 **Federal Aid No.** CHN-0(217)D **Tracs No.** SS91801C

Subject: RWCD/ SRP Impacts

Mr. Zimmerman,

We have been working on a long term schedule as well as updating the CPM schedule and it is becoming evident that we are being impacted by RWCD's non-responsiveness and SRP's overhead to underground conversion. Below is a brief description on how these are impacting us.

RWCD Non-responsiveness:
We have been trying for months to setup a pre-construction meeting with RWCD to schedule and move forward with improvements in RWCD Right of Way. Since we have not received a response our electrical subcontractor has temporarily skipped over this area to continue with work. We cannot start any curb/gutter and sidewalk (critical path items) until after the RWCD precon.

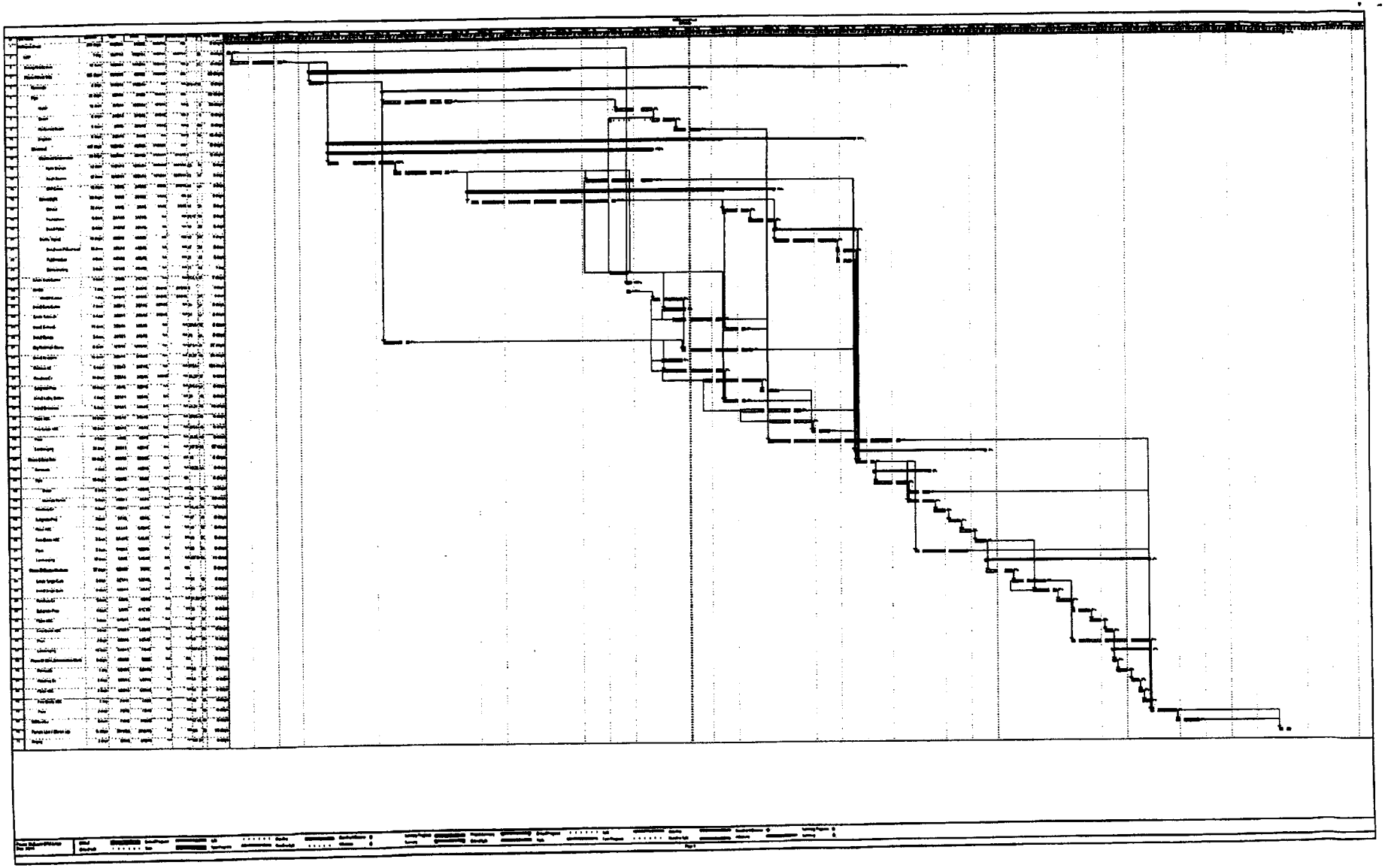
SRP Overhead lines:
There are 2 sections of overhead power lines that need to be relocated underground. The North section was completed and inspected by SRP on December 22nd 2014. At this time it was ready for SRP to perform their work. The South section was completed and inspected by SRP on January 6th 2015. At this time it was ready for SRP to perform their work. Due to the low height of the power lines in the North section we are not able to install 2 sewer manholes/laterals until after the overhead lines are removed. Due to the power poles and sewer laterals we cannot move forward with curb/gutter and sidewalk installs (critical path items).

As stated above, I am working on updating the CPM schedule and will submit as soon as possible, but without having a schedule from RWCD and SRP, the impacts (both time and costs) are unknown. This letter is written in accordance with MAG specification 110.2.1 to provide proper notification on these issues.

Please contact me if you have any questions.

Sincerely,

Aaron Lucchesi
Project Manager
602-339-0872



Chandler + Arizona
Where Values Make The Difference

April 14, 2015

Nesbitt Contracting
100 S. Price Road
Tempe, AZ 85281-3118

Re: McQueen Road Improvements,
City Project Number ST0810.402, Federal Aid Number CHN0217D, Tracs Number SS91801C.
Project Delays SRP Overhead/Underground Conversion and RWCD.

Attention Joe Chavez:

Thank you for meeting on Tuesday April 7, 2015 to discuss your January 14, 2015 letter referencing project schedule delays due to SRP Overhead/Underground Conversion and RWCD, and the City's initial response dated March 30, 2015.

From the meeting it was indicated that your initial 51 days should have actually been reduced to 37 days based on the schedule logic and completion of the north overhead/underground conversion by your subcontractor in late December, 2014.

In light of Nesbitt's progress since the overhead conversion has been complete and for consideration of Nesbitt's cooperation thus far to complete this project, the City agrees to increase an excusable, non-compensable time extension from 14 Calendar Days to 21 Calendar Days. With this time extension, the Substantial Completion Date changes from May 25, 2015 to June 15, 2015, and a Final Completion Date of July 15, 2015.

The City and Nesbitt also agreed that a portion of the difference of 16 Calendar Days may be reconsidered and the contract may be adjusted at a future date.

Should you have any further questions, please contact me at 480-782-3335 or 480-818-7308.

Respectfully,

Allan Zimmerman
Project Manager

CC: Bob Fortier, Capital Projects Manager
Janece Ray, Capital Projects Federal Compliance
Aaron Lucchesi, Project Manager, Nesbitt Contracting

CITY OF CHANDLER

CHANGE ORDER NUMBER 2

DATE 4/16/2015

This Change Order in not valid until signed by both the City and the Contractor. Signature of the Contractor indicates agreement herewith, including any adjustments in the Contract Price or Contract Time.

PROJECT NAME:	**McQueen Road Improvements, Chandler Heights Road to Ocotillo Road**	CONTRACTOR:	**Nesbitt Contracting Co., Inc.**
PROJECT NO.:	**ST0810.402; CHN-0(217)D; SS91801C**	COST ACCT #:	**No Cost Implication**
USER DEPT:	**Transportation & Development**	NTP DATE:	**10/27/2014**

TO: **Nesbitt Contracting Co., Inc.**
(CONTRACTOR)

YOU ARE DIRECTED TO MAKE THE FOLLOWING CHANGES TO THIS CONTRACT:
(Describe changes in detail (Exhibit A) and/or cost breakdown sheet (Exhibit B), if applicable)

See Exhibit A

These changes result in the following adjustments of contract amount and time:

Original Contract amount:	**$4,175,891.15**
Current Contract amount, prior to this Change Order: (including previous change orders)	**$4,175,891.15**
Net change resulting from this Change Order: (if over $50,000 from Contract amount previously approved by Council, Council action is required)	**$0.00**
Revised Contract amount, including this Change Order:	**$4,175,891.15**
Last Contract amount approved by Council:	**$4,175,891.15**
Change Order % of last Contract amount approved by Council: (if over 10% of previous amount approved by Council, Council action is required)	**0.0%**

Contract time or completion date prior to this Change Order: (including previous change orders) **261** Days or **7/15/15** Date

Net change resulting from this Change Order: **0** Calendar Days

Revised contract time and completion date: **261** Days or **7/15/15** Date

THE ABOVE IS AGREED TO BY:

JOE CHAVEZ — CONTRACTOR; [signature] — Signature; 4/24/15 — Date

CITY OF CHANDLER [redacted]: Bob Fortier 5/14/15

For Change Orders less than $50,000 or less than 10% of Contract amount approved by Council, **or** for Revised Contract amount totaling less than $50,000.

[signature] — DEPARTMENT DIRECTOR / DESIGNEE; 5-27-15 — Date

Or (but not both)
For Change Orders of $50,000 or more, or 10% or more of last Contract amount approved by Council:

MAYOR — Date

Approved by Council on: Date

[signature] — Attest: City Clerk; 6-2-2015 — Date

Approved as to Form:

City Attorney by (initials):

E-copy Project Analyst Project Support Asst Owner Project Mgr Orig - City Clerk

EXHIBIT A

To establish Item 188-9240018, Force Account Work (Sewer) in the amount of $50,000.00 as an Allowance for unforeseen sewer work.

To decrease Item 167-9240009, Force Account Work (Roadway and Concrete Flatwork) in the amount of $50,000.00 to balance the amount needed to establish Item 188-9240018 above.

During the course of construction, it was discovered that an existing sewer stub east from the manhole at Sta. 149+35.71 was unusable. This sewer stub was intended to serve future development east of McQueen Road at this location. It is desirable to remedy this sewer stub to a usable state prior to the installation of final asphaltic concrete paving for McQueen Road so that unnecessary future excavation can be avoided.

While the existing stub is nearly 24 feet below the pavement surface, it was determined that due to the existing soil conditions, the elevation for the new sewer stub did not have to be installed at that depth and the existing stub from the manhole could be used for a drop sewer manhole connection in accordance with MAG Std. Detail 426.

The contractor agrees to install a drop sewer connection in accordance with MAG Std. Detail 426, Type B, utilize SDR-26 PVC sewer pipe installed approximately 77' from the existing manhole at Sta. 149+35.71 to 65' RT of centerline. This work will be documented as Actual Cost Work (a.k.a. T&M – Time & Materials).

- **All T& M work shall be documented and verified per MAG Specifications Section 109.5.5B. Costs shall be formatted per ADOT Standard Specification 109.04(D).**
- **Per the Contract, existing bid line items shall be used for payment when possible.**

Decrease Items:

Item Number	Description	Amount
167-9240009	FORCE ACCOUNT WORK (ROADWAY AND CONCRETE FLATWORK)	-$50,000.00

Establish Items:

Item Number	Description	Amount
188-9240018	FORCE ACCOUNT WORK (SEWER)	$50,000.00

CITY OF CHANDLER
CHANGE ORDER NUMBER 3
DATE 6/4/2015

This Change Order in not valid until signed by both the City and the Contractor. Signature of the Contractor indicates agreement herewith, including any adjustments in the Contract Price or Contract Time.

PROJECT NAME:	**McQueen Road Improvements, Chandler Heights Road to Ocotillo Road**	CONTRACTOR:	**Nesbitt Contracting Co., Inc.**
PROJECT NO.:	**ST0810.402; CHN-0(217)D; SS91801C**	COST ACCT #:	**See Financial Implications in Council Memo No. CP15-274**
USER DEPT:	**Transportation & Development**	NTP DATE:	**10/27/2014**

TO: **Nesbitt Contracting Co., Inc.**
(CONTRACTOR)

YOU ARE DIRECTED TO MAKE THE FOLLOWING CHANGES TO THIS CONTRACT:
(Describe changes in detail and/or cost breakdown (Exhibit A))

See Exhibit A

These changes result in the following adjustments of contract amount and time:

Original Contract amount:	**$4,175,891.15**
Current Contract amount, prior to this Change Order: (including previous change orders)	**$4,175,891.15**
Net change resulting from this Change Order: (if over $50,000 from Contract amount previously approved by Council, Council action is required)	**$176,760.00**
Revised Contract amount, including this Change Order:	**$4,352,651.15**
Last Contract amount approved by Council:	**$4,175,891.15**
Change Order % of last Contract amount approved by Council: (if over 10% of previous amount approved by Council, Council action is required)	**4.23%**

Contract time or completion date prior to this Change Order: (including previous change orders) 261 Days or 7/15/15 Date

Net change resulting from this Change Order: 16 Calendar Days

Revised contract time and completion date: 277 Days or 7/31/15 Date

THE ABOVE IS AGREED TO BY:

JOE CHAVEZ — CONTRACTOR
Joe Chavez — Signature
6/10/15 — Date

CITY OF CHANDLER (Date & Name of Owner Dept. verbal approval): _Bob Fortier 6-4-15_____

For Change Orders less than $50,000 or less than 10% of Contract amount approved by Council, or for Revised Contract amount totaling less than $50,000.

DEPARTMENT DIRECTOR / DESIGNEE — Date

Or (but not both)
For Change Orders of $50,000 or more, or 10% or more of last Contract amount approved by Council:

MAYOR — Date

Approved by Council on: Date — Attest: City Clerk — Date

Approved as to Form:

City Attorney by (initials):

E-copy: Project Analyst Project Support Asst. Owner Project Mgr Orig.- City Clerk

EXHIBIT A

Contractor shall replace the existing asphalt pavement in the northbound lanes with new, uniformly thick 5-inch asphalt pavement..

Increase Items:

Item Number	Description	Units	Qty.	Unit Price	Amount
25-4060023	ASPHALTIC CONCRETE (3")	Sq.Yd.	14,730	$12.00	$176,760.00