



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. PWE07-021**

1. Agenda Item Number:
39
2. Council Meeting Date:
March 22, 2007

TO: MAYOR & COUNCIL
THROUGH: CITY MANAGER

3. Date Prepared: March 8, 2007
4. Requesting Department: Municipal Utilities

5. SUBJECT: Report to Council for the emergency City Manager approval of Change Order No. 2 in the not to exceed amount of \$100,000 to Hunter Construction for the Water Treatment Plant Expansion, Project No. WA0320-402, for a revised contract total of \$44,763,205.34.

6. RECOMMENDATION: Staff recommends acceptance of this report of the emergency City Manager approval of Change Order No. 2 in the not to exceed amount of \$100,000 to Hunter Construction for the Water Treatment Plant Expansion, Project No. WA0320-402, for a revised contract total of \$44,763,205.34.

7. HISTORICAL BACKGROUND / DISCUSSION: This construction contract was awarded at the November 17, 2005 Council meeting and provides for the expansion of the City's water treatment plant located on Pecos and McQueen Roads.

During the first week of March, City Staff noticed a water leak in the center of the intersection of Pecos and Dobson Roads. Staff monitored the leak and made preparations to excavate the area to determine the cause. It appeared that the leak was from the 42-inch potable water transmission main which conveys water from the City's water treatment plant at Pecos and McQueen Roads to the distribution system. City staff does not have the equipment to excavate and repair a large main at the depth of this main. With the pavement rapidly beginning to fail, City staff negotiated a change order with the contractor for the adjacent water treatment plant expansion project, Hunter Construction. Hunter Construction has the resources to perform the work and were already mobilized to the site so they could begin work immediately.

Pavement failure began to occur on March 7. Due to the leak's location, it represented a public safety issue for the traveling public as well as a potential threat to the delivery of water to the City's system. Arizona Revised Statue 34-604 provides for the procurement of emergency services in the event of a public health or safety concern. City Code Section 3-13.3 provides for City Manager approval of emergency procurement of services if a situation exists that makes it contrary to the public interest to utilize normal procurement procedures and approval of City Council. Staff found that this situation was an emergency and required immediate attention and, therefore, recommended that the City Manager approve the change order in amount of \$100,000. This report is to advise Council of the need to procure emergency services in excess of the \$50,000 in construction services as required by City Code.

8. EVALUATION PROCESS: Due to the nature of the leak's location, it is difficult to estimate a total cost until after the leak is uncovered and the total extent of the repairs identified. In discussions with the contractor, staff estimated up to five days repair time at \$25,000. The change order will be tracked time and materials in the field to establish the final cost to the City.

9. FINANCIAL IMPLICATIONS:

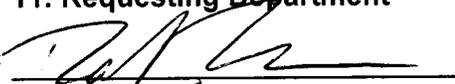
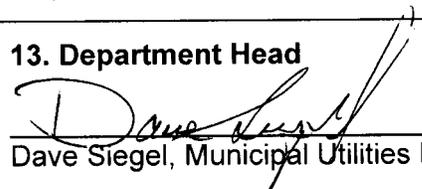
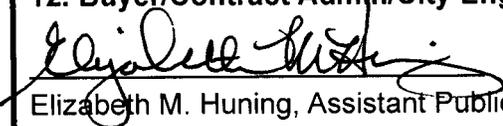
Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
605.3800.0000.6714.000000	Water Operating Fund	NA	NA	\$100,000.00

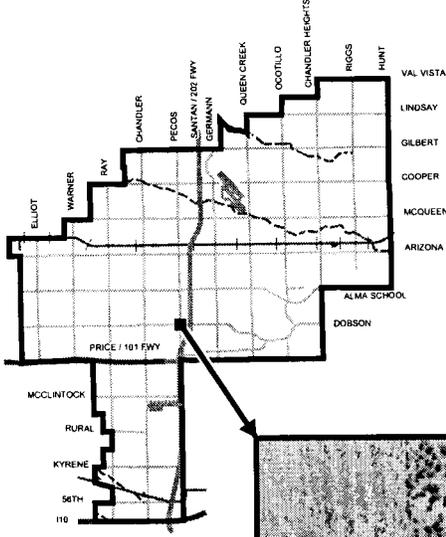
Original Contract Amount:	\$43,250,000.00
Current Contract Price with Approved Change Orders	<u>\$44,663,205.34</u>
Cost of Change Order No. 2: (0.23%)	\$ 100,000.00 Dobson/Pecos Roads Failure
Adjusted Contract Amount:	\$44,763,205.34
Percent of Project Complete:	71%

10. PROPOSED MOTION: Move that Council accept this report of emergency City Manager approval of Change Order No. 2 in the not to exceed amount of \$100,000 to Hunter Construction for the Water Treatment Plant Expansion, Project No. WA0320-402, for a revised contract total of \$44,763,205.34.

ATTACHMENTS: Location Map

APPROVALS	
<p>11. Requesting Department</p>  <p>Bob Mulvey, Assistant Municipal Utilities Director</p>	<p>13. Department Head</p>  <p>Dave Siegel, Municipal Utilities Director</p>
<p>12. Buyer/Contract Admin/City Engineer</p>  <p>Elizabeth M. Huning, Assistant Public Works Director/City Engineer</p>	<p>14. City Manager</p>  <p>W. Mark Pentz</p>

PECOS RD AND DOBSON RD WATER MAIN LEAK



Work Zone for Repair
of Waterline Leak



PWE07-021

LEGEND

□ PARCELS



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Where Values Make The Difference

MEMORANDUM CIP Construction Management – Memo No. PWCM07-015

DATE: MARCH 7, 2007

TO: W. MARK PENTZ, CITY MANAGER

THRU: DAVE SIEGEL, MUNICIPAL UTILITIES DIRECTOR ^{VS}
ELIZABETH HUNING, ASSISTANT PW DIRECTOR/CITY ENGINEER ^{EA}

FROM: RAY BUGLION, SENIOR ENGINEER

SUBJECT: EMERGENCY AUTHORIZATION TO PROCURE MATERIALS AND
PERFORM CHANGE ORDER WORK

BACKGROUND/DISCUSSION:

A water leak began to surface at the intersection of Dobson and Pecos Roads last week. Staff has been monitoring the leak and is concerned that, if not addressed immediately it will cause significant damage to the pavement and the subsurface. On March 7, 2007, staff began to notice evidence of roadway failure. If a failure of the road occurs at the location of the leak, a serious accident could occur due to its location. So, barricades are being erected. It appears that potable water is leaking from one of the water lines under the intersection. Most probably it is coming from a 42-inch transmission main, which conveys water from the City's water treatment plant located nearby on Pecos Road. The treatment plant is currently under construction. Should the water line fail, the construction at the plant and the City's ability to deliver water to the system will be significantly impacted.

The City does not have the equipment or manpower to excavate and repair this deep main. The general contractor for the plant expansion, Hunter Construction, has the resources to mobilize immediately and make any repairs necessary.

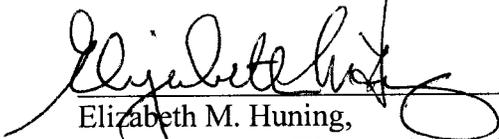
Under Arizona Revised Statute 34-604, the City has the ability to procure emergency services if a situation exists that is a threat to the public health or safety. Under City Code Section 3-13.3, the City Manager may authorize emergency procurement of services if a situation exists that makes it contrary to the public interest to utilize the normal procurement procedures and approval of the City Council. The water plant contractor is mobilized in the immediate vicinity of the leak and can respond immediately. The requested emergency repairs may exceed the staff approval of \$50,000 once the leak is excavated and more is known. Therefore, the City Manager would need to authorize the repairs in an amount not to exceed \$100,000 and this report would then be taken to Council at a subsequent meeting.

FINANCIAL IMPLICATIONS:

Since the scope of work is difficult to define until the leak is excavated, an accurate cost is difficult to define. In consultation with the contractor, staff has estimated that the labor, equipment, traffic control, and materials could cost approximately \$20,000 per day over an estimated five-day period to complete the work, for a not to exceed increase of \$100,000. . This is a conservative estimate; the work will be tracked on a time and material basis to ensure that the City will pay only for the services needed. The current total contract amount for the water treatment plant project is \$44,663,205.34 including all approved change orders. This change order represents a 0.23% increase in the contract amount, bringing the revised total contract amount to \$44,763,205.34.

RECOMMENDATION:

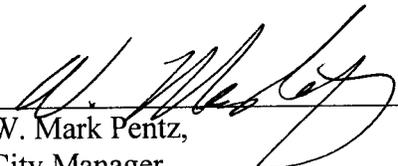
We recommend that the City Manager find the above described Change Order, which would otherwise require Council approval, requires immediate approval to prevent potential impacts to the public health and safety and that the City Manager approve said Change Order and through this memo notify the City Council as required by the City Code.

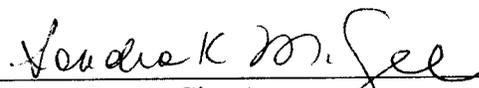

Elizabeth M. Huning,
Assistant Public Works Director/
City Engineer


Dave Siegel,
Municipal Utilities Director

FINDING:

I, W. Mark Pentz, based on the facts and recommendations set forth above, find that the above described Change Order, which would otherwise require Council approval, requires immediate approval to prevent an undue financial burden to the City and hereby approve said Change Order. This memo will be sent to the Mayor and Council within five working days and placed on the consent calendar at the next Council meeting to comply with the requirement to notify the City Council in the City Code.


W. Mark Pentz,
City Manager

APPROVED AS TO FORM: 
 Michael House, City Attorney

CITY OF CHANDLER CHANGE ORDER
CHANGE ORDER NUMBER 2
DATE 3/7/07

This Change Order is 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	<u>Water Treatment Plant Expansion</u>	CONTRACTOR	<u>Hunter Construction</u>
PROJECT NO.	<u>WA0320-402</u>	COST ACCT #	<u></u>
USER DEPT	<u>Municipal Utilities</u>	NTP DATE	<u>12/1/2005</u>

TO: Hunter Construction
 (CONTRACTOR)

YOU ARE DIRECTED TO MAKE THE FOLLOWING CHANGES TO THIS CONTRACT:
 (Describe changes in detail and/or reference attached cost breakdown sheet.)

Mobilize the necessary manpower and equipment to investigate a water main leak under the intersection of Dobson and Pecos Roads. The cost of this work is to be tracked on a time and material basis. If as work proceeds, it is determined the cost will exceed \$100,000 another change order shall be drafted.

THESE CHANGES RESULT IN THE FOLLOWING ADJUSTMENTS OF CONTRACT PRICE AND TIME:

ORIGINAL CONTRACT AMOUNT:	<u>\$43,250,000.00</u>
CURRENT CONTRACT PRICE PRIOR TO CHANGE ORDER: (Including previous change orders)	<u>\$44,663,205.34</u>
NET CHANGE RESULTING FROM THIS CHANGE ORDER:	<u>\$100,000.00</u>
REVISED CONTRACT PRICE INCLUDING THIS CHANGE ORDER:	<u>\$44,763,205.34</u>
CHANGE ORDER IS % OF ORIGINAL CONTRACT AMOUNT:	<u>0.23%</u>

CONTRACT TIME OR COMPLETION DATE PRIOR TO THIS CHANGE ORDER (Including previous change orders):	<u>851</u>
	DAYS DATE

NET CHANGE RESULTING FROM THIS CHANGE ORDER:	<u>0</u>
	DAYS

REVISED CONTRACT TIME AND COMPLETION DATE:	<u>851</u>
	DAYS DATE

THE ABOVE IS AGREED TO BY:

Hunter Construction <u>Todd Hunter</u>	<u>3/7/07</u>
CONTRACTOR	By: Date

CITY OF CHANDLER (Date & Name of Owner Dept. verbal approval): Dave Siegel: 3/6/07

For Change Orders of less than \$50,000 and 10% of contract price:

Title: <u>MUD Director</u>	Signature: <u>Dave Siegel</u>	<u>3/7/07</u>
Director or Designee	By:	Date

Or (but not both)

For Change Orders of \$50,000 or more, or 10% or more of contract price:

<u>[Signature]</u>	Date: _____
MAYOR	
Approved by Council on: _____	Attest: City Clerk _____
Date	Date

Approved as to Form:
 City Attorney by: Lynne K. ...
For City Attorney

**INDEPENDENT ESTIMATE
FOR ADDITIONAL WORK**



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Where Values Make The Difference

Date:	3/7/07	Change Order #:	2
Project Name:	Water Treatment Plant Expansion		
Project Number:	WA0320-402		
General Contractor:	Hunter Construction		
CIP Inspector:	Kelly Loser		
Description of Work:	Investigate and repair leaking transmission main		

LABOR

LABOR CLASSIFICATION	OVERTIME AUTHORIZED: Y/N		ESTIMATED TIME			LABOR COSTS
	REG RATE	N	START	STOP	TOTAL HOURS	
			2/6/2004	2/6/2004		
Laborer	\$18.50	\$27.75	6:00 AM	4:00 PM	10.00	\$185.00
Laborer	\$18.50	\$27.75	6:00 AM	4:00 PM	10.00	\$185.00
Laborer	\$18.50	\$27.75	6:00 AM	4:00 PM	10.00	\$185.00
Pipe Layer	\$23.75	\$35.63	6:00 AM	4:00 PM	10.00	\$237.50
Pipe Layer	\$23.75	\$35.63	6:00 AM	4:00 PM	10.00	\$237.50
Pipe Layer	\$23.75	\$35.63	6:00 AM	4:00 PM	10.00	\$237.50
Pipe Layer	\$23.75	\$35.63	6:00 AM	4:00 PM	10.00	\$237.50
Operator	\$29.50	\$44.25	6:00 AM	4:00 PM	10.00	\$295.00
Operator	\$29.50	\$44.25	6:00 AM	4:00 PM	10.00	\$295.00
Superintendent	\$32.00	\$48.00	6:00 AM	4:00 PM	10.00	\$320.00
		\$0.00			0.00	\$0.00
		\$0.00			0.00	\$0.00
		\$0.00			0.00	\$0.00
LABOR SUB-TOTAL						\$2,415.00

EQUIPMENT COSTS ESTIMATED FROM MOST CURRENT BLUE BOOK TABLES

AREA ADJUSTMENT FACTOR	0.90	MONTHLY RATE	OP. COSTS	HOURLY RATE	START	STOP	TOTAL HOURS	ITEM COST
EQUIPMENT TYPE					2/10/2004	2/10/2004		
300 Series Trachoe		\$10,235.00	\$46.75	\$105.00	6:00 AM	4:00 PM	10.00	\$1,050.00
Vactor		\$5,200.00	\$40.00	\$66.59	6:00 AM	4:00 PM	10.00	\$665.91
Pick Up		\$1,015.00	\$16.90	\$11.00	6:00 AM	4:00 PM	10.00	\$110.00
Dump Truck		\$2,180.00	\$22.95	\$23.00	6:00 AM	4:00 PM	10.00	\$230.00
Loader		\$5,565.00	\$28.00	\$59.00	6:00 AM	4:00 PM	10.00	\$590.00
				\$0.00			0.00	\$0.00
				\$0.00			0.00	\$0.00
				\$0.00			0.00	\$0.00
				\$0.00			0.00	\$0.00
				\$0.00			0.00	\$0.00
EQUIPMENT SUB-TOTAL								\$2,645.91

ESTIMATED MATERIALS

MATERIAL	UNIT	QTY.	UNIT COST	EXT. COST
Worst case material estimate divided by 5 days (\$25,000/5 + \$5,000)	LS	1.00	\$5,000.00	\$5,000.00
Labor & materials to re-pave road divided by 5 days (\$20,000/5 = \$4,000)	LS	1.00	\$4,000.00	\$4,000.00
Traffic control including police officer per day	LS	1.00	\$1,500.00	\$1,500.00
				\$0.00
				\$0.00
MATERIAL SUB-TOTAL				\$10,500.00

ESTIMATED LUMP SUM SUBCONTRACTOR COSTS

All costs and quantities included herein have been estimated using available information prior to the work being completed. Invoices and other pertinent back-up documentation were submitted by the contractor upon completion of the work and represent the actual cost of the work.	ITEM	SUBTOT COST	15% MARKUP	TOTAL COST
	LABOR	\$2,415.00	\$362.25	\$2,777.25
	EQUIP.	\$2,645.91		\$2,645.91
	MATLS.	\$10,500.00	\$1,575.00	\$12,075.00
	SUBCONTRACTOR 5% M/U		\$0.00	\$0.00
	TAXES	7.8% OF 65%		\$887.16
	BOND - INS	1.30%		\$239.01
	TOTAL COST			