



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CA07-228**

1. Agenda Item Number:
34
2. Council Meeting Date:
May 24, 2007

TO: MAYOR & COUNCIL
THROUGH: CITY MANAGER

3. Date Prepared: May 14, 2007
4. Requesting Department: Municipal Utilities

5. SUBJECT: Report of staff approved Contract Amendment No. 1 in an amount not to exceed \$63,565 and approval of Contract Amendment No. 2 in an amount of \$300,000 to Damon S. Williams Associates LLC for the Arsenic Treatment Systems, Project No. WA0404-202, for a revised contract total of \$2,855,605.

6. RECOMMENDATION: Staff recommends Council accept the report of staff approved Contract Amendment No. 1 in an amount not to exceed \$63,565 and approve Contract Amendment No. 2 in an amount of \$300,000 to Damon S. Williams Associates LLC for the Arsenic Treatment Systems, Project No. WA0404-202, for a revised contract total of \$2,855,605.

7. BACKGROUND/DISCUSSION: Damon S. Williams Associates LLC (DSWA) was selected to provide Design and Construction Services for the City's arsenic treatment systems project. The total project budget for design and construction was \$17,702,250. At the onset, the engineering budget was estimated in excess of \$4,000,000. However, by limiting the scope we reduced the design fees for a total design effort of \$3,016,280 over two contracts. Given that arsenic treatment is "leading edge" technology, staff recognized that future design efforts may be necessary, but it was prudent to deal with unknown circumstances as they arose. Two contracts were awarded, a contract for pilot testing in the amount of \$524,240 on February 12, 2004, and a design and construction management contract in the amount of \$2,492,040 on July 22, 2004.

During the course of the project, additional services were required to optimize well flows and system hydraulics. This optimization effort resulted in equipment cost savings of \$1,230,000 per the engineer's estimate. Staff approved Contract Amendment No. 1 for \$63,565 for well flow optimization in July 2004.

Contract Amendment No. 2 will compensate DSWA for additional construction services associated with the EPA's approved compliance time extension, modifications to the equipment procurement method, and additional survey services. DSWA initially requested additional fees in the amount of \$525,000 for this amendment. Staff believes this negotiated value of \$300,000 is fair and equitable compensation, and DSWA agreed to submit no further claims for additional fees. Construction services are 100% complete and eight new arsenic treatment systems are operational.

8. EVALUATION: Damon S. Williams Associates LLC was selected in accordance with established City of Chandler policies and procedures. Staff reviewed the costs presented for these amendments and they are comparable to other services of a similar nature.

9. FINANCIAL IMPLICATIONS:

Original Cost:	\$ 2,492,040	
Contract Amendment No. 1: Flow Study	\$ 63,565	2.56% (Staff approved 7/22/2004)
Contract Amendment No. 2: Procurement	\$ 300,000	12.00%
Savings:	None	
Long Term Costs:	None	

Fund Source:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
601.3820.0000.6713.6WA330	Water Bond	Well Remediation	FY06/07	\$363,565

10. PROPOSED MOTION: Move that Council accept the report of staff approved Contract Amendment No. 1 in an amount not to exceed \$63,565, and approval of Contract Amendment No. 2 in an amount of \$300,000 to Damon S. Williams Associates LLC for the Arsenic Treatment Systems, Project No. WA0404-202, for a revised contract total of \$2,855,605.

ATTACHMENTS: Location Map

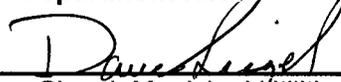
APPROVALS

11. Requesting Department



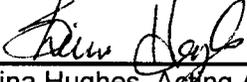
Robert Mulvey, Assistant Municipal Utilities Director

13. Department Head



Dave Siegel, Municipal Utilities Director

12. City Engineer



Sheina Hughes, Acting Assistant Public Works Director/City Engineer

14. City Manager



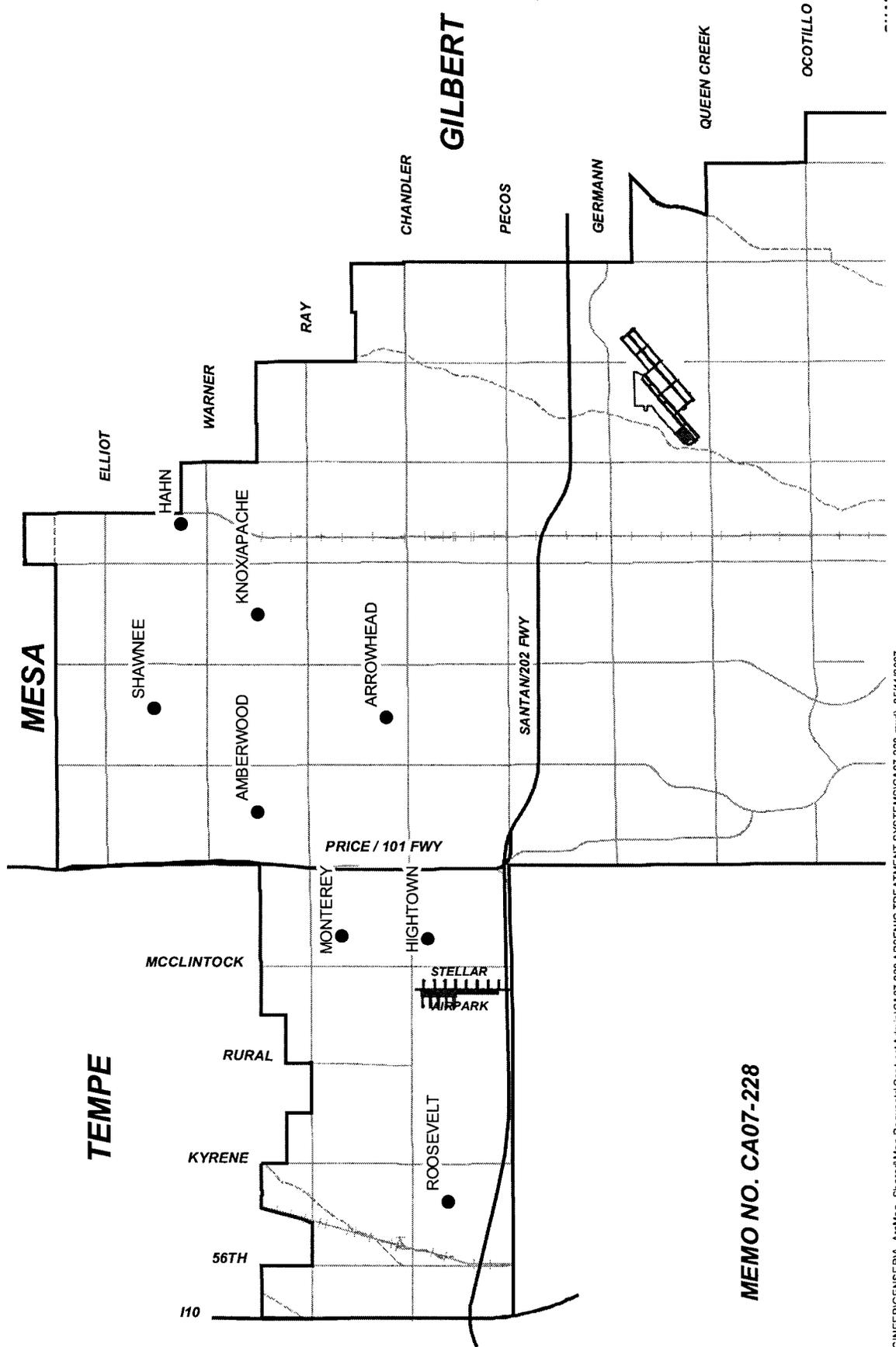
W. Mark Pentz



ARSENIC TREATMENT SYSTEMS PROJECT NO. WA0404-202



Chandler + Arizona



MEMO NO. CA07-228



Chandler Arizona

AMENDMENT NUMBER 2

Project Name: **Arsenic Treatment Systems**

Project No.: **WA0404-202**

This Amendment No. 2 to that certain Agreement Between the City Of Chandler and **Damon S. Williams, LLC, a limited liability in State of Arizona, for Arsenic Treatment Systems** dated 22, July, 2004 between the City of Chandler (CITY) and **Damon S. Williams, LLC** is entered into this _____ day of _____, 2007.

WHEREAS the parties have determined that it is necessary and desirable for DESIGN CONSULTANT to perform additional services for CITY;

NOW THEREFORE, the parties agree as follows:

1. Section 3 of the above referenced Agreement is hereby amended by adding additional scope of work as described in more detail in Exhibit A attached hereto and incorporated herein by reference.
2. Section 5 of the above referenced Agreement is hereby amended by increasing the total Contract Price by an amount not to exceed the sum of Three Hundred Thousand dollars (\$300,000) for a total Contract Price not to exceed the sum of Two Million Eight Hundred Fifty-five Thousand Six Hundred Five dollars (\$2,855,605).
3. All other terms and conditions of the above referenced Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names this _____ day of _____, 2007.

CITY OF CHANDLER:

By: _____

MAYOR

Date

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

DESIGN CONSULTANT:

By: Damon S. Williams

Title:

ATTEST: (If corporation)

Secretary

WITNESS: (If Individual or Partnership)

SEAL

ACKNOWLEDGE BY:

User Department Signature

Date

Title

Recommended CITY ENGINEER

Date

Recommended: DEPARTMENT DIRECTOR Date:

Amendment No. 2 cont.

Project No. WA0404-202

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

ORIGINAL CONTRACT AMOUNT	\$ 2,492,040
CURRENT CONTRACT PRICE PRIOR TO THIS AMENDMENT (Including previous amendments)	\$ 2,555,605
NET INCREASE / DECREASE (Resulting from this amendment)	\$ 300,000
REVISED CONTRACT PRICE (Including this amendment)	\$ 2,855,605
AMENDMENT PERCENTAGE (Of original contract price)	<u>12</u> %
CONTRACT TIME PRIOR TO THIS AMENDMENT (Including this amendment)	520 (Days or Date)
NET INCREASE/DECREASE (Resulting from this amendment)	6/29/07 (Days or Date)
REVISED CONTRACT TIME (Including this amendment)	6/29/07 (Days or Date)
THIS AMENDMENT No. _____	Does not Require Council Approval: Less than \$30,000* _____
	More than \$30,000 but less than 10% of Contract* _____
THIS AMENDMENT No. <u>2</u>	Requires Council Approval Greater than \$30,000* _____
	Greater than 10% of Contract * X
*Including City Manager approved Amendments	
ORIGINAL CONTRACT COUNCIL DATE: 7/22/04 ITEM NO.: 48 if applicable	
COUNCIL APPROVAL: _____ ITEM NO.: _____, if applicable	

CC: City Clerk User Dept Project Mgr Consultant Project Analyst File

**EXHIBIT A
SCOPE OF WORK**

CONSULTANT shall:

Provide an additional 2361 hours of resident services during construction.

Provide an additional 1043 hours of shop drawing and O&M submittal reviews.

Relocate Amberwood chlorine analyzer.

Redesign Monterey standpipe to sustaining valve.

Redesign backwash tank aesthetics (e.g. painting).

Conduct 128 hours of owner requested training.