



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CA07-284**

1. Agenda Item Number:

50

2. Council Meeting Date:
June 28, 2007

TO: MAYOR & COUNCIL

3. Date Prepared: June 6, 2007

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Approve Change Order 3 to the construction manager at risk contract with Hunter Contracting Inc. for the Surface Water Treatment Plant Expansion Project, Project No. WA0320-402, in the amount of \$229,216.00.

6. RECOMMENDATION: Staff recommends that Council approve Change Order No. 3 to the construction manager at risk contract with Hunter Contracting Inc. for the Surface Water Treatment Plant Expansion Project, Project No. WA0320-402, in the amount of \$229,216.00.

7. HISTORICAL BACKGROUND/DISCUSSION: The project is currently 78% complete. Change Order No. 1 previously approved by Council was to purchase Type 1 Granular Activated Carbon media for the filters. After the change order was issued, the supplier (Jacobi Carbons) withdrew their bid for the media. As a result, Calgon was brought on as the new supplier. This resulted in a cost increase for the media, and due to this delay, the U.S. Government imposed a tariff on imported Type 1 media. This resulted in additional costs to the contract totaling \$75,637.69, which will be handled in Change Order No. 3.

As a result of emergency work performed at the intersection of Dobson and Pecos Roads in March 2007 to repair water mains, Emergency Change Order No. 2 was initiated in the amount of \$100,000.00 to the construction contract with Hunter Contracting Inc. to expedite repairs and minimize impact to the public. Final costs for the work were submitted after all repairs were completed. Staff has reviewed the final costs and determined the costs are accurate and complete. The difference between Change Order No. 2 and the final total is \$53,578.31, which will be handled in Change Order No. 3. This will compensate Hunter Contracting Inc. in total for work performed.

In addition, because the project will be going through another shutdown in the fall, there will be an opportunity to complete additional work. Also included in Change Order No. 3 is \$100,000.00 to place in the Owners Allowance to deal with these issues as they arise for a total of \$229,216.

8. EVALUATION PROCESS: The City's engineers (Black & Veatch) and City staff have reviewed all costs submitted by Hunter Contracting Inc. and found the costs accurate and reasonable for area rates.

9. FINANCIAL IMPLICATIONS:

Original Project Cost:	\$43,250,000.00
Change Order No. 1	\$ 1,413,205.34
Change Order No. 2	\$ 100,000.00
Current Project Cost:	\$44,763,205.34
Change Order No. 3	\$ 229,216.00
Total Cost:	\$44,992,421.34
% of Original Cost:	0.53%

<u>Account Number</u>	<u>Fund Name</u>	<u>Program Name</u>	<u>CIP Funded</u>	<u>Amount</u>
605.3820.0000.6210.6WA230	Water Operating	Water Production Facility Improvements	FY 05/06	\$229,216

10. PROPOSED MOTION: Move that Council approve Change Order No. 3 to the construction manager at risk contract with Hunter Contracting Inc. for the Surface Water Treatment Plant Expansion Project,

Project No. WA0320-402, in the amount of \$229,216.00, and authorize the Mayor to sign the contract documents.

ATTACHMENTS: Location Map

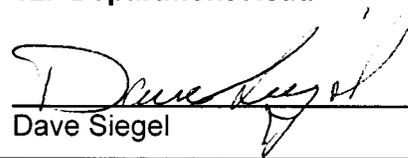
APPROVALS

11. Requesting Department



Robert Mulvey, Assistant Municipal Utilities Director

12. Department Head



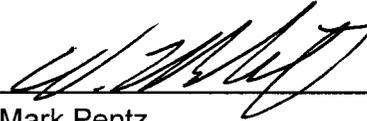
Dave Siegel

13. City Engineer



Sheina Hughes, Acting Assistant Public Works
Director / City Engineer

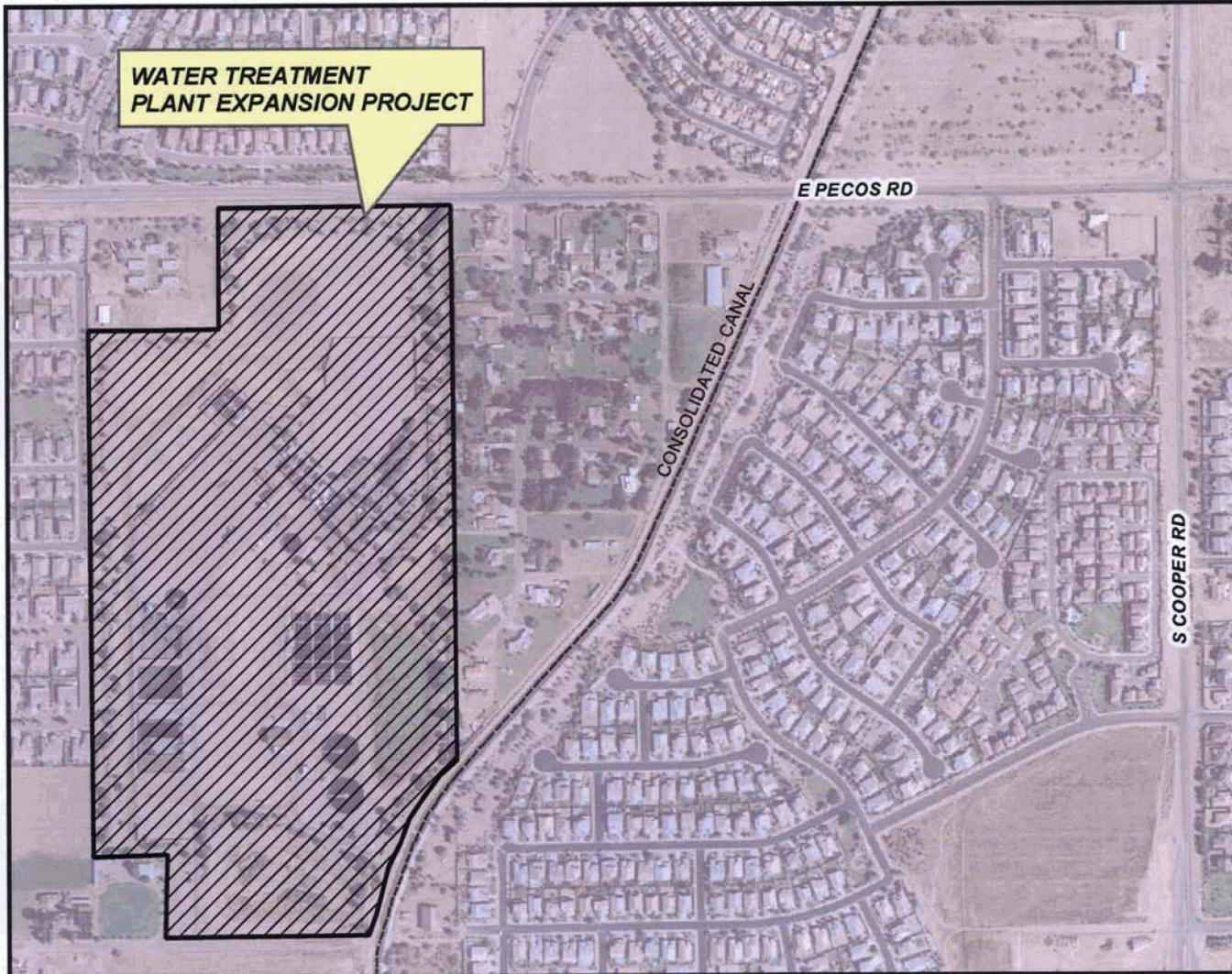
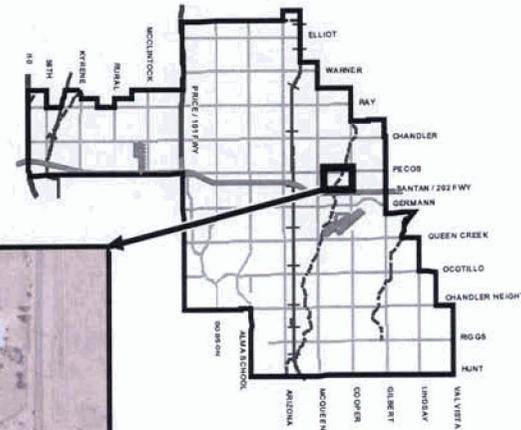
14. City Manager



W. Mark Pentz



SURFACE WATER TREATMENT PLANT EXPANSION PROJECT NO. WA0320-402



MEMO NO. CA07-284



CITY OF CHANDLER CHANGE ORDER
CHANGE ORDER NUMBER Three
DATE 06/08/07

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 NAME	<u>SWTP Expansion</u>	CONTRACTOR	<u>Hunter Contracting Inc.</u>
PROJECT NO.	<u>WA0320-402</u>	COST ACCT #	
USER DEPT	<u>M.U.D. Water</u>	NTP DATE	<u>12/01/05</u>

TO: Hunter Contracting Inc.
 (CONTRACTOR)

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

This change order is to compensate the contractor for the difference between Change Order 2 and final costs for

for the repairs for the work at Dobson and Pecos Roads. This also covers an increase in cost for the Type 1 media and tariffs imposed by the U.S. Government. In addition this covers a \$100,000.00 increase for the Owners Allowance within the contract to deal with unforeseen Plant issues as they arise for the project.

ORIGINAL CONTRACT AMOUNT:	<u>\$43,250,000.00</u>
CURRENT CONTRACT PRICE PRIOR TO CHANGE ORDER: (Including previous change orders)	<u>\$44,763,205.34</u>
NET CHANGE RESULTING FROM THIS CHANGE ORDER:	<u>\$229,216.00</u>
REVISED CONTRACT PRICE INCLUDING THIS CHANGE ORDER:	<u>\$44,992,421.34</u>
CHANGE ORDER IS % OF ORIGINAL CONTRACT AMOUNT:	<u>0.53%</u>

CONTRACT TIME OR COMPLETION DATE PRIOR TO THIS CHANGE ORDER (Including previous change orders):	<u>3/21/08</u>
	DAYS DATE
NET CHANGE RESULTING FROM THIS CHANGE ORDER:	<u>0</u>
	DAYS
REVISED CONTRACT TIME AND COMPLETION DATE:	<u>0 3/21/08</u>
	DAYS DATE

THE ABOVE IS AGREED TO BY:

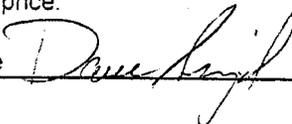
Hunter Contracting Inc.
 CONTRACTOR

By:  6-12-07
 Date

CITY OF CHANDLER (Date & Name of Owner Dept. verbal approval): Robert Fortier 6/8/07

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

Title: _____
 Department Director or Designee
 Or (but not both)

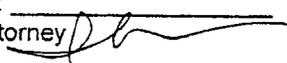
Signature  6/13/07
 By: _____ Date

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

 MAYOR
 Approved by Council on: _____
 Date

 Date:

 Attest: City Clerk Date

Approved as to form: _____
 City Attorney 



BLACK & VEATCH CORPORATION

1475 E. Pecos Road, Chandler, Arizona 85225 (480) 963-7956, Fax (480) 857-7437

March 22, 2007
BL-045
B&V PN 143501

Mr. Robert Fortier
City of Chandler
975 E. Armstrong Way,
Building L
Chandler, AZ 85225

Re: City of Chandler SWTP 15 MGD Expansion, WA0320-402
GAC Procurement Cost Issues

Dear Mr. Fortier:

Attached are three separate packages of itemized changes in the procurement of the new GAC media for the remodeled plant filters. The first package is the original bids and recommendations for which types of GAC media to purchase and is the package on which Change Order #1 is based.

The second package itemizes the change in GAC procurement as a result of Jacobi Carbons withdrawing their bid for the Type 1 GAC media shortly after the Change Order was approved. With Jacobi's withdrawal on the Type 1 media it was decided to go with Calgon for furnishing the Type 1 media and to obtain a better pricing from Calgon to also have Calgon furnish Type 2 media for two filters instead of Norit furnish Type 2 media for six filters. The revised line-up is listed in Black & Veatch letter dated September 19, 2006. The increase in cost due to Jacobi's withdrawal per Hunter's attached work sheet was \$48,954.30.

The third package itemizes the change in cost due to the U.S. Government's imposing a tariff on the imported Type 1 GAS media. To lessen the impact of the tariff it was decided to limit the Type 1 media to only one filter instead of the previously scheduled two filters. Calgon agreed to furnish Type 2 media for the third filter at their quoted price of \$70,566.00 per filter for the Type 1 media instead of the quoted price of \$107,566.00 per filter for Type 2 media. The Type 2 media is not subject to the tariff. This saved approximately \$24,000.00 in additional tariff cost. The net increase in cost due to the imposition of the tariff per Hunter's attached work sheet was \$26,682.79.

The total increase in GAC procurement cost above the original amount in Change Order #1 is \$75,637.09. The current line up for the GAC media types is as follows:

- Media Type 1, Calgon Carbsorb 20LA (8x20) installed in filter #5
- Media Type 2, Calgon Filtrasorb 820 installed in filters # 8, #10, and #11
- Media Type 2, Norit GAC 820 installed in filters #1, #2, #4, and #6
- Media Type 3, USFilter AquaCarb 220C installed in filters #7 and #9
- Media Type 4, Norit HD 820 installed in filters #3 and #12

Feel free to contact me should you have any questions or need any additional documentation regarding the changes in the media procurement costs.

Very Truly Yours,

Bradley Rayfield

Cc: Erick Bevington, B&V
File - 13260