



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA  
Memo No. CA08-240**

**1. Agenda Item Number:**

**48**

**2. Council Meeting Date:**

April 24, 2008

**TO: MAYOR & COUNCIL**

**3. Date Prepared:** April 10, 2008

**THROUGH: CITY MANAGER**

**4. Requesting Department:** Public Works

**5. SUBJECT:** Approve Change Order No. 3 in the amount of \$1,177,378.00 to the construction contract with Haydon Building Corporation, Inc. for the Price Road Improvements (Germann to Santan) Project No. ST0504-402, for a revised contract price of \$7,940,669.80.

**6. RECOMMENDATION:** Staff recommends that Council approve Change Order No. 3 in the amount of \$1,177,378.00 to the construction contract with Haydon Building Corporation for the Price Road Improvements (Germann to Santan) Project No. ST0504-402, for a revised contract price of \$7,940,669.80.

**7. BACKGROUND/DISCUSSION:** The Price Road Improvement project consists of roadway and waterline improvements of Price Road from Germann Road to the Santan Freeway, including an additional through lane in both directions, curb and gutter, bike lanes, turn lanes, raised medians, storm drain, street lights, traffic signal interconnects, and extensive potable water, reclaimed water, and sewer manhole improvements.

Change Order No. 1 was approved by Council on October 25, 2007, and included the addition of two potable waterline stubs and the replacement of a segment of asbestos cement pipe with ductile iron pipe.

Change Order No. 2 was approved by Council on December 13, 2007, and included 1) a new traffic signal at Price/Spectrum, streetlights, sidewalk improvements and landscaping/irrigation on behalf of the Spectrum development, and 2) a new sidewalk on the east and west sides of Price Road within the ADOT control area to provide pedestrian access to the freeway interchange.

Change Order No. 3 includes full depth mill and replacement of existing asphalt on both sides of Price Road from Germann Road to approximately the Santan Freeway. The original contract price assumed that a 1.5" mill and inlay would suffice to restore the existing asphalt, based on the conditions originally noted in the engineer's geotechnical report and the City's pavement analysis data. However, results from recent field tests showed that the asphalt deterioration was accelerating, and the mill and inlay would only be a short term fix. In order to provide a quality surface and long service life, a full depth reconstruction of the roadway section is recommended. City staff was able to negotiate with Haydon to reduce or eliminate costs for subgrade preparation and asphalt escalation, thus saving approximately \$57,288 in material costs.

This change order will be funded from accumulated project savings as follows:

<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
415.3310.0000.6517.5ST469	Arterial Street Impact Fees	Price Road (Santan to Germann)	FY04/05	\$ 686,653.82
411.3310.0000.6517.5ST469	GO Bonds	Price Road (Santan to Germann)	FY05/06	\$ 490,724.18

**8. EVALUATION:** City staff verified the costs submitted by Haydon Building Corporation and found them to be consistent with recent similar work.

**9. FINANCIAL IMPLICATIONS:**

Cost:	\$1,177,378.00	(This change order)
Savings:	\$ 57,288.00	(Material cost savings)
Long-Term Costs:	N/A	
Original Contract Price:	\$6,261,095.00	
Change Order Number 1	\$ 123,900.00	2% of Original Contract Price
Revised Contract Price:	\$6,384,995.00	
Change Order Number 2	\$ 378,296.80	6% of Revised Contract Price
Revised Contract Price:	\$6,763,291.80	

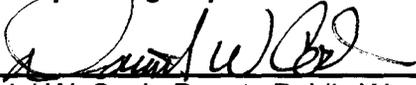
Change Order Number 3	\$1,177,378.00	17% of Revised Contract Price		
Revised Contract Price:	\$7,940,669.80			
Fund Source:				
<u>Acct. No.:</u>	<u>Fund Name:</u>	<u>Program Name:</u>	<u>CIP Funded:</u>	<u>Amount:</u>
415.3310.0000.6517.5ST469	Arterial Street Impact Fees	Price Road (Santan to Germann)	FY04/05	\$ 686,653.82
411.3310.0000.6517.5ST469	GO Bonds	Price Road (Santan to Germann)	FY05/06	\$ 490,724.18

**10. PROPOSED MOTION:** Move that Council approve Change Order No. 3 in the amount of \$1,177,378.00 to the construction contract with Haydon Building Corporation for the Price Road Improvements (Germann to Santan) Project No. ST0504-402, for a revised contract price of \$7,940,669.80, and authorize the Mayor to sign the contract documents.

**ATTACHMENTS:** None

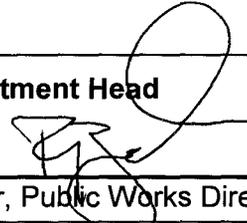
**APPROVALS**

**11. Requesting Department**



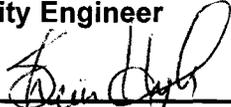
Daniel W. Cook, Deputy Public Works Director

**13. Department Head**



R.J. Zeder, Public Works Director

**12. City Engineer**



Sheina Hughes, Assistant Public Works Director/City Engineer

**14. City Manager**



W. Mark Pentz

**CITY OF CHANDLER CHANGE ORDER**

CHANGE ORDER NUMBER 3  
DATE 4/8/2008

**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	Price Road Improvements (Germann to Santan Freeway)	CONTRACTOR	Haydon Building Corporation
PROJECT NO.	ST0504-402	COST ACCT #	415.3310.0000.6517.5ST469
USER DEPT	Public Works	NTP DATE	

**TO: Haydon Building Corporation**  
(CONTRACTOR)

YOU ARE DIRECTED TO MAKE THE FOLLOWING CHANGES TO THIS CONTRACT:  
(Describe changes in detail and/or reference attached cost breakdown sheet.)  
Perform additional work items #22, #27, #28, and #32 as detailed in the cost proposal submitted by David Laughlin of Haydon Building Corporation on April 4, 2008 and attached herein for reference.

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

ORIGINAL CONTRACT AMOUNT:	<u>\$6,261,095.00</u>
CURRENT CONTRACT PRICE PRIOR TO CHANGE ORDER (Including previous change orders)	<u>\$6,763,291.80</u>
NET CHANGE RESULTING FROM THIS CHANGE ORDER:	<u>\$1,177,378.00</u>
REVISED CONTRACT PRICE INCLUDING THIS CHANGE ORDER:	<u>\$7,940,669.80</u>
CHANGE ORDER IS % OF ORIGINAL CONTRACT AMOUNT:	<u>17%</u>

CONTRACT TIME OR COMPLETION DATE PRIOR TO THIS CHANGE ORDER (Including previous change orders):

7/18/08  
DAYS    DATE

NET CHANGE RESULTING FROM THIS CHANGE ORDER:

DAYS

REVISED CONTRACT TIME AND COMPLETION DATE:

DAYS    DATE

THE ABOVE IS AGREED TO BY:

Haydon Building Corp.  
CONTRACTOR

*[Signature]*  
Signature:

4/10/08  
Date

CITY OF CHANDLER (Date & Name of Owner Dept. verbal approval): \_\_\_\_\_

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

Title: \_\_\_\_\_  
Director or Designee

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Or (but not both)  
For Change Orders of \$50,000 or more, or 10% or more of contract price:

\_\_\_\_\_  
MAYOR  
Approved by Council on: \_\_\_\_\_

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Date  
Approved at to Form: \_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Attest: City Clerk

\_\_\_\_\_  
Date

DESCRIPTION OF WORK PERFORMED:  
**MILL THE EXISTING ROADWAY BETWEEN ARMSTRONG PLACE AND THE 202 AND REPLACE WITH FULL DEPTH AC TO RESOLVE THE EXISTING CROSS SLOPE ISSUE.** QUANTITY: 1  
 UM:LS

BID ITEM WORK					
BID ITEM	DESCRIPTION	QTY	UNIT	PRICE	TOTAL
25	1" AC MILLING	0	SY	\$1.51	\$0.00
25	4-5" AC MILLING	13,000	SY	\$2.75	\$35,750.00
33	3" 19 MM EVAC AC SURFACE	2,194	TN	\$66.60	\$146,103.75
35	2" 12.5 MM EVAC AC SURFACE	1,463	TN	\$70.50	\$103,106.25
168	AC ESCALATION ALLOWANCE	0	TN	\$2.00	\$0.00
31	SUBGRADE PREP (Finegrade existing AB)	13,000	SY	\$1.50	\$19,500.00
BID ITEM SUBTOTAL					\$304,460.00

EQUIPMENT					
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL
					\$0.00
EQUIPMENT SUBTOTAL					\$0.00

LABOR					
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL
					\$0.00
LABOR SUBTOTAL					\$0.00

MATERIALS						
CODE	DESCRIPTION	QTY	UNIT	\$	5.00	TOTAL
						\$0.00
MATERIAL SUBTOTAL					\$0.00	

SUBCONTRACTOR					
CODE	DESCRIPTION	QTY	UNIT	PRICE	TOTAL
SURVEY	SURVEY BLUE TOPS	1	LS	\$2,000.00	\$2,000.00
					\$0.00
SUBCONTRACTOR SUBTOTAL					\$2,000.00

COST & MARK-UP SUMMARY	
BID ITEM WORK	\$304,460.00
TOTAL EQUIPMENT	\$0.00
TOTAL LABOR	\$0.00
TOTAL MATERIALS	\$0.00
TOTAL SUBCONTRACTOR	\$2,000.00
SUBTOTAL DIRECT COSTS	\$306,460.00
Contractor's Fee	10.00%
Subtotal with Fee	\$337,106.00
Insurance etc.	1.00%
General Contractor's Bond	1.00%
Subtotal Subject to Sales Tax	\$343,848.12
Sales Tax	5.07%
Total Price	\$361,281.22

DESCRIPTION OF WORK PERFORMED:						
FULL DEPTH MILL THE EXISTING ROADWAY BETWEEN ARMSTRONG PLACE AND GERMANN RD AND REPLACE WITH FULL DEPTH AC (Approx 5"). Northbound Only						
					QUANTITY:	1
					UM:	LS
<b>BID ITEM WORK</b>						
BID ITEM	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	
25	4-5" AC MILLING	7,700	SY	\$2.75	\$21,175.00	
33	3" 19 MM EVAC AC SURFACE	1,299	TN	\$66.60	\$86,538.38	
35	3" 12.5 MM EVAC AC SURFACE	866	TN	\$70.50	\$61,070.63	
168	AC ESCALATION ALLOWANCE	0	TN	\$2.00	\$0.00	
31	SUBGRADE PREP (Finegrade existing AB)	7,700	SY	\$1.50	\$11,550.00	
36	SS1H TACK	7,700	SY	\$0.22	\$1,694.00	
					BID ITEM SUBTOTAL	\$182,028.00
<b>EQUIPMENT</b>						
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL	
					\$0.00	
					EQUIPMENT SUBTOTAL	\$0.00
<b>LABOR</b>						
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL	
					\$0.00	
					LABOR SUBTOTAL	\$0.00
<b>MATERIALS</b>						
CODE	DESCRIPTION	QTY	UNIT	\$5.00	TOTAL	
					\$0.00	
					MATERIAL SUBTOTAL	\$0.00
<b>SUBCONTRACTOR</b>						
CODE	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	
SURVEY	SURVEY BLUE TOPS	1	LS	\$2,000.00	\$2,000.00	
					\$0.00	
					SUBCONTRACTOR SUBTOTAL	\$2,000.00
<b>COST &amp; MARK-UP SUMMARY</b>						
BID ITEM WORK					\$182,028.00	
TOTAL EQUIPMENT					\$0.00	
TOTAL LABOR.					\$0.00	
TOTAL MATERIALS.					\$0.00	
TOTAL SUBCONTRACTOR.					\$2,000.00	
SUBTOTAL DIRECT COSTS					\$184,028.00	
Contractor's Fee 10.00%					\$18,402.80	
Subtotal with Fee					\$202,430.80	
Insurance etc. 1.00%					\$2,024.31	
General Contractor's Bond 1.00%					\$2,024.31	
Subtotal Subject to Sales Tax					\$206,479.42	
Sales Tax 5.07%					\$10,468.51	
Total Price					\$216,947.92	

DESCRIPTION OF WORK PERFORMED:  
 FULL DEPTH MILL THE EXISTING ROADWAY BETWEEN ARMSTRONG PLACE AND GERMANN RD AND REPLACE WITH FULL DEPTH AC (Approx 5"). Southbound Only

QUANTITY: 1  
 UM: LS

BID ITEM WORK						
BID ITEM	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	
25	4-5" AC MILLING	7,700	SY	\$2.75	\$21,175.00	
33	3" 19 MM EVAC AC SURFACE	1,299	TN	\$66.60	\$86,538.38	
35	3" 12.5 MM EVAC AC SURFACE	866	TN	\$70.50	\$61,070.63	
31	SUBGRADE PREP (Finegrade existing AB)	7,700	SY	\$1.50	\$11,550.00	
36	SS1H TACK	7,700	SY	\$0.22	\$1,694.00	
39	ADJUST EXISTING SURVEY MONUMENT	1	EA	\$295.00	\$295.00	
40	ADJUST EXISTING & NEW MANHOLE	3	EA	\$352.00	\$1,056.00	
					BID ITEM SUBTOTAL	\$183,379.00
EQUIPMENT						
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL	
					\$0.00	
					EQUIPMENT SUBTOTAL	\$0.00
LABOR						
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL	
					\$0.00	
					LABOR SUBTOTAL	\$0.00
MATERIALS						
CODE	DESCRIPTION	QTY	UNIT	\$ 5.00	TOTAL	
					\$0.00	
					MATERIAL SUBTOTAL	\$0.00
SUBCONTRACTOR						
CODE	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	
SURVEY	SURVEY BLUE TOPS	1	LS	\$2,000.00	\$2,000.00	
					\$0.00	
					SUBCONTRACTOR SUBTOTAL	\$2,000.00
COST & MARK-UP SUMMARY						
BID ITEM WORK.					\$183,379.00	
TOTAL EQUIPMENT.					\$0.00	
TOTAL LABOR					\$0.00	
TOTAL MATERIALS.					\$0.00	
TOTAL SUBCONTRACTOR					\$2,000.00	
SUBTOTAL DIRECT COSTS					\$185,379.00	
Contractor's Fee 10.00%					\$18,537.90	
Subtotal with Fee					\$203,916.90	
Insurance etc. 1.00%					\$2,039.17	
General Contractor's Bond 1.00%					\$2,039.17	
Subtotal Subject to Sales Tax					\$207,995.24	
Sales Tax 5.07%					\$10,545.36	
Total Price					\$218,540.60	

DESCRIPTION OF WORK PERFORMED:						
MILL THE EXISTING ROADWAY (SOUTHBOUND) BETWEEN ARMSTRONG PLACE AND APPROXIMATELY STATION 97+00 AND REPLACE WITH FULL DEPTH AC DUE TO OLD ASPHALT					QUANTITY: 1	
					UM: LS	
<b>BID ITEM WORK</b>						
BID ITEM	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	
25	1" AC MILLING	0	SY	\$1.51	\$0.00	
25	4-5" AC MILLING	13,700	SY	\$2.75	\$37,675.00	
33	3" 19 MM EVAC AC SURFACE	2,312	TN	\$66.60	\$153,970.88	
35	2" 12.5 MM EVAC AC SURFACE	1,541	TN	\$70.50	\$108,658.13	
168	AC ESCALATION ALLOWANCE	0	TN	\$2.00	\$0.00	
31	SUBGRADE PREP (Finegrade existing AB)	13,700	SY	\$1.50	\$20,550.00	
					BID ITEM SUBTOTAL	\$320,854.00
<b>EQUIPMENT</b>						
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL	
					\$0.00	
					EQUIPMENT SUBTOTAL	\$0.00
<b>LABOR</b>						
CODE	DESCRIPTION	HOURS S/T	HOURS O/T	RATE	TOTAL	
					\$0.00	
					LABOR SUBTOTAL	\$0.00
<b>MATERIALS</b>						
CODE	DESCRIPTION	QTY	UNIT	\$ 5.00	TOTAL	
					\$0.00	
					MATERIAL SUBTOTAL	\$0.00
<b>SUBCONTRACTOR</b>						
CODE	DESCRIPTION	QTY	UNIT	PRICE	TOTAL	
SURVEY	SURVEY BLUE TOPS	1	LS	\$2,000.00	\$2,000.00	
					\$0.00	
					SUBCONTRACTOR SUBTOTAL	\$2,000.00
<b>COST &amp; MARK-UP SUMMARY</b>						
BID ITEM WORK					\$320,854.00	
TOTAL EQUIPMENT.					\$0.00	
TOTAL LABOR					\$0.00	
TOTAL MATERIALS					\$0.00	
TOTAL SUBCONTRACTOR					\$2,000.00	
SUBTOTAL DIRECT COSTS					\$322,854.00	
Contractor's Fee 10.00%					\$32,285.40	
Subtotal with Fee					\$355,139.40	
Insurance etc. 1.00%					\$3,551.39	
General Contractor's Bond 1.00%					\$3,551.39	
Subtotal Subject to Sales Tax					\$362,242.19	
Sales Tax 5.07%					\$18,365.68	
Total Price					\$380,607.87	