



**PURCHASING ITEM
FOR
COUNCIL AGENDA
Memo No. CA10-029**

1. Agenda Item Number:
28
2. Council Meeting Date:
August 13, 2009

TO: MAYOR & COUNCIL

3. Date Prepared: August 3, 2009

THROUGH: CITY MANAGER

4. Requesting Department: Municipal Utilities

5. SUBJECT: Report to Council for the emergency City Manager approval of Change Order No. 1 in the not to exceed amount of \$1,000,000 to McCarthy for the Airport Water Reclamation Plant Expansion – Phase II, Project No. WW0501-402, for a revised contract total of \$71,868,665.

6. RECOMMENDATION: Staff recommends acceptance of this report of the emergency City Manager approval of Change Order No. 1 in the not to exceed amount of \$1,000,000 to McCarthy for the Airport Water Reclamation Plant Expansion – Phase II, Project No. WW0501-402, for a revised contract total of \$71,868,665.

7. HISTORICAL BACKGROUND / DISCUSSION: This construction contract was awarded at the August 23, 2007 Council Meeting and provides for the expansion of the City's Airport Water Reclamation Plant located on McQueen and Queen Creek Roads.

During the weekend of August 1, 2009, there was a power outage at the Airport Water Reclamation Plant. Following the power outage, a problem was noted in wastewater flows monitored by the Scada system. Once it was determined the issue was unrelated to the power outage, staff became aware a leak had developed at the SW corner of McQueen and Queen Creek Roads. The leak appeared to originate at the structure for the pressurized sewer main connection from the Ocotillo Plant. Staff diverted wastewater flows and commenced clean up work at the intersection of McQueen and Queen Creek Roads.

City staff does not have the equipment to excavate and repair a large main at the depth of this main nor the equipment or piping to create the critical temporary wastewater by-pass. With the impact on wastewater treatment and roadway rapid failure, City staff negotiated a change order with the contractor for the adjacent Airport Water Reclamation Plant expansion project, McCarthy. McCarthy has the resources to perform the work and was already mobilized to the site so they could begin work immediately.

Due to the wastewater leak's location, it represented a potential threat to the ability to treat the City's wastewater, as well as the public safety issue for the traveling public. Arizona Revised Statute 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 this situation was an emergency and required immediate attention and therefore, recommended the City Manager approve the change order in amount of \$1,000,000. 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 in excess of twelve days repair time at \$50,000 per day plus the cost of materials. The change order will be tracked for time and materials in the field to establish the final cost to the City.

9. FINANCIAL IMPLICATIONS:

Original Contract Amount: 70,868,665
Change Order 1 (1.41%) \$1,000,000 Emergency Change Order
Total Revised Contract 71,868,665

Fund Source:

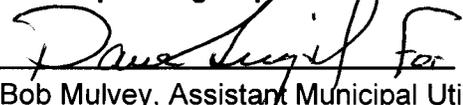
| | | | | |
|---------------------------|-------------------|----------------------|--------------------|----------------|
| <u>Acct. No.:</u> | <u>Fund Name:</u> | <u>Program Name:</u> | <u>CIP Funded:</u> | <u>Amount:</u> |
| 611.3910.0000.6817.9WW332 | Wastewater Bonds | WW System Upgrades | FY08/09 | \$1,000,000 |

10. PROPOSED MOTION: Move that Council accept this report of emergency City Manager approval of Change Order No. 1 in the not to exceed amount of \$1,000,000 to McCarthy for the Airport Water Reclamation Plant Expansion – Phase II, Project No. WW0501-402, for a revised contract total of \$71,868,665.

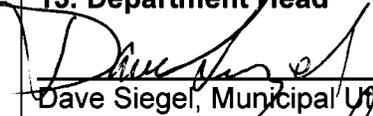
ATTACHMENTS: Location Map

APPROVALS

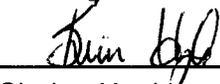
11. Requesting Department


Bob Mulvey, Assistant Municipal Utilities Director

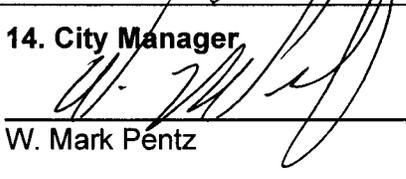
13. Department Head


Dave Siegel, Municipal Utilities Director

12. Buyer/Contract Admin/City Engineer


Sheina Hughes, Assistant Public Works Director/
City Engineer

14. City Manager


W. Mark Pentz



Chandler · Arizona
Where Values Make The Difference

MEMORANDUM

Public Works - CA10-029

DATE: AUGUST 3, 2009

TO: W. MARK PENTZ, CITY MANAGER

FROM: DAVE SIEGEL, MUNICIPAL UTILITIES DIRECTOR 
SHEINA HUGHES, ASSISTANT PUBLIC WORKS DIRECTOR/CITY ENGINEER 

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

BACKGROUND/DISCUSSION

During the weekend of August 1, 2009, there was a power outage at the Airport Water Reclamation Plant. Following the power outage, a problem was noted in wastewater flows monitored by the Scada system. Once it was determined the issue was unrelated to the power outage, staff became aware a leak had developed at the SW corner of McQueen and Queen Creek Roads. The leak appeared to originate at the structure for the pressurized sewer main connection from the Ocotillo Plant. Staff diverted wastewater flows and commenced clean up work at the intersection of McQueen and Queen Creek Roads.

City staff does not have the equipment to excavate and repair a large main at the depth of this main nor the equipment or piping to create the critical temporary wastewater by-pass. With the impact on wastewater treatment and rapid roadway failure, City staff negotiated a change order with the contractor for the adjacent Airport Water Reclamation Plant expansion project, McCarthy. McCarthy has the resources to perform the work and was already mobilized to the site so they could begin work immediately.

Due to the wastewater leak's location, it represented a potential threat to the ability to treat the City's wastewater, as well as the public safety issue for the traveling public. 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 this situation was an emergency and required immediate attention and therefore, recommended the City Manager approve the change order in amount of \$1,000,000. We will prepare a report to Council of the need to procure emergency services in excess of the \$50,000 in construction services as required by City Code.

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 labor, equipment, traffic control, and materials could cost approximately \$50,000 per day and it will take in excess of twelve days to complete the work, for a not to exceed amount of \$1,000,000. 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 Airport Water Reclamation Plant expansion project is \$70,868,665 including all approved change orders. This change order represents a 1.41% increase in the contract amount, bringing the revised total contract amount to \$71,868,665.

RECOMENDATION

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



Sheina Hughes
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 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 agenda 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: _____ 
Mary Wade, City Attorney

CITY OF CHANDLER CHANGE ORDER

CHANGE ORDER NUMBER 1
DATE 08/04/09

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 | AWRF Phase II | CONTRACTOR | McCarthy Building Companies |
| PROJECT NO | WW0501-402 | COST ACCT # | 611.3910.0000.6817.9WW332 |
| USER DEPT | MUD | NTP DATE | 09/18/07 |

TO: McCarthy Building Companies
(CONTRACTOR)

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

Provide additional labor, material, equipment and supervision as necessary for the troubleshooting, identification and repairs to the failed sewer piping and any related damaged infrastructure located at McQueen and Queen Creek Roads Background. On 8/1/09, leaking sewage was discovered near the current Airport Water Reclamation Facility. The City currently is expanding the AWRF and McCarthy Building Companies is performing the expansion work. McCarthy Building Companies and the City have been continuously working on site to make temporary bypass repairs to allow sewage to flow, and provide access for crews to investigate and identify the problem. McCarthy Building Companies was selected to perform the work due to emergency nature of the job, their proximity to the site, and their equipment and personnel availability.

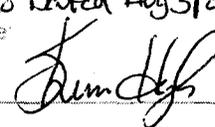
| | |
|---|-----------------|
| ORIGINAL CONTRACT AMOUNT | \$70,868,665.00 |
| CURRENT CONTRACT PRICE PRIOR TO CHANGE ORDER: (Including previous change orders) | \$70,868,665.00 |
| NET CHANGE RESULTING FROM THIS CHANGE ORDER: | \$1,000,000.00 |
| REVISED CONTRACT PRICE INCLUDING THIS CHANGE ORDER: | \$71,868,665.00 |
| CHANGE ORDER IS % OF ORIGINAL CONTRACT AMOUNT: | 1.41% |

| | |
|--|----------------|
| CONTRACT TIME OR COMPLETION DATE PRIOR TO THIS CHANGE ORDER (Including previous change orders): | 790 |
| | DAYS DATE |
| NET CHANGE RESULTING FROM THIS CHANGE ORDER: | 0 |
| | DAYS |
| REVISED CONTRACT TIME AND COMPLETION DATE: | 0 |
| | DAYS DATE |

THE ABOVE IS AGREED TO BY:

McCarthy Building Companies  08/05/09
CONTRACTOR By Date

CITY OF CHANDLER (Date & Name of Owner Dept. verbal approval): John Knudson 8/5/09
Emergency Procurement Approved by CM memo dated Aug 3/09
For Change Orders of less than \$50,000 and 10% of contract price:

Title Asst Public Works/Env Eng Signature 
Department Director or Designee By: Date 08/05/09
Or (but not both)

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

MAYOR Date
Approved by Council on _____
Date Attest: City Clerk Date

Approved as to form: MAJ
Revised 1/31/07 City Attorney
22910

Independent Cost Estimate

COST PER DAY ESTIMATE TO INVESTIGATE AND REPAIR SEWER

| EQUIPMENT | HOURLY COST | HOURS | TOTAL |
|------------------------------------|------------------------|--------------|--------------------|
| TWO 100-AMP GENERATORS | \$40.00 | 12 | \$480.00 |
| CAMERA TRUCK | \$75.00 | 12 | \$900.00 |
| FORKLIFT | \$30.00 | 12 | \$360.00 |
| VAC TRUCK | \$75.00 | 12 | \$900.00 |
| TWO SIX-INCH PUMPS | \$50.00 | 12 | \$600.00 |
| 345 TRACKHOE | \$150.00 | 12 | \$1,800.00 |
| 938 LOADER | \$100.00 | 12 | \$1,200.00 |
| TWO END DUMPS | \$150.00 | 12 | \$1,800.00 |
| TWO LIGHT PLANTS | \$60.00 | 12 | \$720.00 |
| 5000 GAL. WATER TRUCK | \$100.00 | 12 | \$1,200.00 |
| 700 FOOT 24-INCH BY-PASS | \$500.00 | 12 | \$6,000.00 |
| TRENCH BOXES | \$30.00 | 12 | \$360.00 |
| SRP POLE BRACE | \$25.00 | 12 | \$300.00 |
| AIR COMPRESSOR | \$25.00 | 12 | \$300.00 |
| 4 PICKUP TRUCKS | \$50.00 | 12 | \$600.00 |
| CONTINGENCY | \$100.00 | 12 | \$1,200.00 |
| | TOTAL EQUIPMENT | | \$18,720.00 |
| LABOR | | | |
| 4 SUPERVISION | 260 | 12 | \$3,120.00 |
| 5 OPERATORS | 125 | 12 | \$1,500.00 |
| 3 PIPE LAYERS | 75 | 12 | \$900.00 |
| 5 LABORERS | 80 | 12 | \$960.00 |
| | TOTAL LABOR | | \$6,480.00 |
| MATERIALS | | | |
| ESTIMATE \$12,000 OVER TWELVE DAYS | \$1,000.00 | 12 | \$12,000.00 |
| CONTINGENCY | | | |
| \$100,000 OVER TWELVE DAYS | \$833.00 | 12 | \$9,996.00 |
| | GRAND TOTAL | | \$47,196.00 |



Emergency Change Order

