



Legislation Text

File #: 10-1082, **Version:** 1

Resolution to Approve the Final Balancing Change Order with Site Development Inc. for the Steere Farm Well Field Raw Water Main Replacement Project (\$66,617.00)

Attached for your approval is a resolution to approve a Change Order with Site Development Inc. for the Steere Farm Well Field Raw Water Main Replacement Project. This change order revises the original estimated construction quantities to their final, as-constructed quantities, thereby balancing them. In addition, this change order establishes new contract items for the work that were required to satisfactorily complete the installation of the new water main.

On November 5, 2009, after a competitive bidding process, the City Council awarded the Steere Farm Well Field Raw Water Main Replacement Project to Site Development Inc. (R-09-434). The Steere Farm Well Field Raw Water Main Replacement Project replaced the existing raw water main, which was in poor condition and had experienced several breaks. The project included the construction of new water main from the City of Ann Arbor's Steere Farm Well Field, which supplies approximately 15% of the City's annual drinking water and is piped to and treated at the Water Treatment Plant. The construction also included the installation of approximately 3,280 lineal feet of 30-inch, 774 lineal feet of 20-inch, and 687 lineal feet of 12-inch ductile iron water main, with polywrap and all appurtenances. The new water main was also constructed with a cathodic protection system to prevent corrosion and lengthen the life of the pipe. The project began in November 2009 and was substantially completed by June of 2010.

During the course of construction, it was discovered that the existing soil conditions were worse than originally anticipated and required that the new water main be placed on top of compacted stone to ensure that it was properly supported. In addition, ground water was encountered in a larger area than what was originally anticipated, therefore requiring additional dewatering efforts. As a result of the larger dewatering effort, the location of a 30-inch valve and manhole needed to be shifted in the field. During the construction, improvements were made to the cathodic protection system, sections of old pipe needed to be removed, and other changes were made. Change Order #1 was approved for \$107,963.29, which covered the additional costs for the foregoing work and essentially exhausted the \$108,000.00 contingency.

After the location and elevation of existing utilities were verified in the field, the installation of additional pipe and bends were needed in order to complete the final connection of the new water main to the existing 20-inch water main at State Street at a cost of \$38,867.50. The balancing of pay items to their as-constructed quantities resulted in an increase of \$27,749.22. These changes now requires a Final Balancing Change Order in an amount of \$66,617.00

Funding for this project is contained in the approved Capital Budget. This project was also included in the City's Drinking Water Revolving Fund (DWRF) project plan and was selected to receive the low interest financing. In addition, this project was selected for funding by the American Recovery and Reinvestment Act of 2009 (ARRA), which resulted in approximately 40% of the principle amount being forgiven by the DWRF program.

Upon your approval of this change order, we will make the final payment to the contractor and close the project.

Prepared by: Homayoon Pirooz, P.E., Project Management Manager

Reviewed by: Sue F. McCormick, Public Services Administrator

Approved by: Roger W. Fraser, City Administrator

Whereas, The City of Ann Arbor Adopted Capital Budget includes the Steere Farm Well Field Raw Water Main Replacement Project;

Whereas, The Steere Farm Well Field Raw Water Main Replacement Project was included in the City's 2009 Drinking Water Revolving Fund Project Plan, adopted by the City Council on April 20, 2009 and was funded through the State of Michigan's Drinking Water Revolving Loan Fund (DWRFL) program;

Whereas, It was necessary to replace the existing raw water main from the Steere Farm Well Field to ensure safe drinking water;

Whereas, On November 5, 2009, City Council approved a construction contract with Site Development Inc. for the Steere Farm Well Field Raw Water Main Replacement Project in an amount of \$1,087,393.22, with a contingency amount of \$108,000.00 for change orders approved by the City Administrator; and

Whereas, \$107,963.29 of the original contingency amount has been exhausted and additional funds are required for the Final Balancing Change Order for the contract;

RESOLVED, That Council approves the Final Balancing Change Order with Site Development Inc. for the Steere Farm Well Field Raw Water Main Replacement Project in the amount of \$66,617.00 with funds to be available until expended without regard to fiscal year;

RESOLVED, That the City makes the following declaration for the purpose of complying with the reimbursement rules of Treasury Regulations 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, that the City reasonably expects to reimburse itself for expenditures for the costs of the Project with proceeds of Bonds; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.