



Legislation Text

File #: 20-1802, **Version:** 2

Resolution to Approve Construction Contract Change Order No. 2 with RAM Construction Services of Michigan, Inc. for the Water Treatment Plant 2018 Architectural and Structural Repairs Project - ITB No. 4553 (\$746,275.00)

This memorandum and resolution requests approval to award Contract Change Order No. 2 to RAM Construction Services of Michigan, Inc. (RAM) for the 2018 Architectural and Structural Repairs - ITB No. 4553 (\$746,275.00).

Change Order No. 2 will add scope to the Contract that was originally part of the Invitation to Bid (ITB) documents, but not originally included due to concerns that the project would exceed the budget available at the time of award. Change Order No. 1 documented additional scope that RAM was able to complete utilizing unused funds from unit price repairs, as well as approved contingency from the original Council contract authorization (R-19-028).

The Water Treatment Services Unit (WTSU) maintains approximately 20 different building envelopes and roofing systems throughout the City including the Water Treatment Plant (WTP), two hydroelectric dam powerhouses, and 5 remote pump stations. The building envelopes and roofing systems are all different vintages and found to exist in various conditions ranging from very poor to satisfactory based on a 2017 evaluation.

In 2018, the WTSU issued ITB documents for necessary repairs to the WTP and outstations, separated into nine (9) separate Base Bids in order to provide flexibility in awarding based on priority and availability of funds. As part of Resolution R-19-028, the City awarded Base Bid No. 1 to complete high priority roofing and masonry repairs at the WTP and Base Bid No. 5 to complete high priority repairs at Barton Pump Station. The Base Bids that were not awarded were to be programmed in the City's Capital Improvements Plan as future phases.

As the construction phase of Base Bids 1 and 5 nears completion, RAM has proficiently completed much of the base scope of work, demonstrating quality workmanship and excellent project management. RAM has not needed to utilize much of the allowance amounts that were included in preparation for unforeseen circumstances. These unused available funds have allowed the WTP to complete several other high priority roofing and masonry repairs at the WTP (Base Bid No. 3) as well as two (2) outstation roof replacements (the roofing portion of Base Bid No.'s 6 and 7).

The additional scope associated with Change Order No. 2 includes interior renovations to the Administration Building (Base Bid No. 2 of the original ITB package) in the amount of \$746,275.00. The Administration Building was constructed in 1994 to 1996 and all the finishes are heavily deteriorated. This project will renovate this space and make the facilities current and improve their utility. In addition, technological improvements will be made to the conference room consistent with upgrades to comparable spaces at City Hall.

RAM is currently under contract with the City and mobilized at the WTP completing work from the

original Contract. RAM has reviewed their bid pricing from 2018 and will be holding pricing from their original bid for Administration Building interior renovations (Base Bid No. 2).

Proceeding with this work now allows the WTP to complete the Administration Building interior renovations at 2018 pricing (Base Bid No. 2 from the original ITB documents). After completing multiple high priority architectural and structural repairs utilizing the base contract (Change Order No. 1), the addition of Change Order No. 2 scope positions the WTP to push out the subsequent phases of the Architectural and Structural Repairs in the CIP for several years, making funding available for other high priority water system capital improvements. This approach also offers significant cost savings of approximately \$110,000.00 (15% of the change order value) associated with re-packaging, re-bidding, contract execution and contractor mobilization in future phases.

Since RAM is still mobilized at the WTP, has demonstrated excellent workmanship and strong project management, and provided the WTP an opportunity to complete improvements using 2018 pricing, deferring subsequent phases of architectural and structural repairs further out in the CIP, it is recommended that their proposal for Base Bids No. 2, and Contract Change Order No. 2 in the amount of \$746,275.00 to RAM be approved for the WTP 2018 Architectural and Structural Repairs project.

RAM complies with the City's Living Wage and Non-Discrimination Ordinances.

Budget/Fiscal Impact: Funding for this project is available in the Water Supply System Capital Budget with a total project budgets for UT-WS-08-04 (Phase 2) and UT-WS-18-31 (Phase 3) being \$3,025,000.00. The portion of expenditures that exceed the project budget will be reallocated from other projects and programmed in future capital budgets to accommodate the total project budget.

Prepared by: Brian Steglitz, Manager, Water Treatment Services
Reviewed by: Craig Hupy, Public Services Area Administrator
Approved by: Tom Crawford, City Administrator

Whereas, The WTP awarded the 2018 Architectural and Structural Repairs project to RAM Construction Services of Michigan, Inc. (RAM) to perform masonry restoration, repairs, and replace roofs at the Water Treatment Plant core buildings and Barton Pump Station;

Whereas, Portions of the original WTP 2018 Architectural and Structural Repairs project were not included at the time of award due to budget limitations and were to be programmed in future phases in the City's Capital Improvements Plan (CIP);

Whereas, The WTP has the opportunity to complete much of the remaining scope utilizing 2018 pricing and eliminating over \$100,000.00 of additional costs associated with re-packaging, re-bidding, contract execution and Contractor mobilization;

Whereas, Completing the Change Order No. 2 work allows the WTP to extend the life of building and structural assets at the Water Treatment Plant without undertaking future capital improvements projects in the near-term;

Whereas, RAM has proven to complete quality work and is uniquely positioned to proficiently complete the Base Bid 2 scope in the amount of \$746,275.00;

Whereas, Funding for the WTP 2018 Architectural and Structural Repairs project is available

approved Water Supply System Capital Improvement Budget or programmed in the capital improvement plans; and

Whereas, RAM Construction Services of Michigan, Inc. complies with the City's Living Wage and Non-Discrimination ordinances;

RESOLVED, That Council accepts the proposal for the Base Bids No. 2 and approves Change Order No. 2 to the contract with RAM Construction Services of Michigan, Inc. in the amount of \$746,275.00 for the WTP 2018 Architectural and Structural Repairs project (ITB No. 4553);

RESOLVED, That a contingency in the amount of \$75,000.00 is approved to finance change orders to the contract with RAM Construction Services of Michigan, Inc. to be approved by the City Administrator;

RESOLVED, That the Mayor and City Clerk are authorized and directed to execute the contract for services after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That the City makes the following declaration for the purposes 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 expect 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.