



## Legislation Text

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**File #:** 19-1742, **Version:** 1

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Resolution to Approve Construction Contract Change Order No. 2 (\$281,416.90) with Gerace Construction Company, Inc. for the Geddes Dam Gate Recoating and Repairs Project, and Amend the Project Budget

This memorandum and resolution requests approval to award contract change order No. 2 (\$281,416.90) to Gerace Construction Company, Inc. (Gerace), and to amend the project budget as part of the Geddes Dam Gate Recoating and Repairs Project (Resolution R-19-195). Change order No. 2 is the additional cost to replace three gates at Geddes Dam in lieu of attempting to repair them.

Geddes Dam, originally constructed in 1920, is a recreational dam on the Huron River located near the Gallup Park Path Parking off of Old Dixboro Road in Ann Arbor, MI, 48105. The Geddes Dam provides the Gallup impoundment and the layout of Gallup Park is predicated on the dam. Each year, approximately 30% of Livery business, or roughly \$300,000 is recognized through "pond paddles" - boating activity in an impoundment area. The dam is operated and maintained by the City of Ann Arbor Water Treatment Services Unit.

Based on the Geddes Dam Safety Inspection performed by the State of Michigan Dam Safety Unit in 2016, recommendations were made to rehabilitate spillway gates no. 1, 2 and 3 and extend the service life. The extent of the corrosion to the gates could not be explicitly determined in the field, therefore the original scope of this project included the removal of the existing gates, followed by abrasive blasting and structural inspection of the gates. The structural inspection of Gate 3 was performed on July 30, 2019. The inspection identified major issues including significant section loss of structural steel members due to advanced corrosion, bent steel members, excessive wear and failed components. It is evident that Gates 1 and 2 are in similar or worse condition.

Due to the significant deterioration and structural issues, repair of the gates as originally planned will be more costly than rebuilding the gates in their entirety. The existing gates were originally installed in 1972. They are nearly 50 years old and have exceeded their service life having signs of failure. Replacement of the gates in their entirety will start with new materials and will result in a long service life.

This project is included in the approved CIP for FY20. The project meets multiple sustainability goals, including: safe community and active living and learning. This project was presented to and recommended for approval by the Park Advisory Commission on April 16, 2019.

The original contract with Gerace for the Geddes Dam Gate Recoating and Repairs Project was approved for \$828,000.00 as part of Resolution R-19-195. Change Order No. 1 in the amount of \$74,900.00 was awarded to Gerace on September 3, 2019 to construct Air Shaft Repairs to the Barton Dam which is funded separately from the Geddes project. It is recommended that Change Order No. 2 in the amount of \$281,416.90 be approved and amended to the Geddes Dam Gate Recoating and Repairs Project. This resolution will bring the total value of services with Gerace to \$1,184,316.90, of which \$1,109,416.90 are for the Geddes Dam project.

Gerace complies with the City's Conflict of Interest, Living Wage and Non-Discrimination Ordinances.

Budget/Fiscal Impact: After crediting the unused portion of the original contract, the amount of this Change Order No. 2 is \$281,416.90. It is recommended that the construction contingency also be increased. The original construction contingency was \$82,800. A new construction contingency of \$110,000.00 is recommended representing an increase of \$27,200.

Funding for Change Order No. 2 and corresponding contingency are available in the approved FY20 Parks Maintenance and Capital Improvements Millage budget. The budget previously established in the Parks Maintenance and Capital Improvements Millage for the purpose of design work and construction was \$992,300. The project budget requires amending it to \$1,300,916.90 which is broken down as follows:

- \$828,000.00 Original Contract Amount with Gerace
- \$21,500.00 Design Work
- \$60,000.00 Construction oversight with Engineer
- \$82,800.00 Original Construction Contingency
- NA Change Order No. 1 Amount for Barton repairs (from other funding sources)
- \$281,416.90 Change Order No. 2 Amount with Gerace
- \$27,200.00 Increase in Construction Contingency (10%)
- \$1,300,916.90 Amended total budget

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Reviewed by: Derek Delacourt, Community Services Area Administrator

Approved by: Howard S. Lazarus, City Administrator

Whereas, It is necessary to complete the Geddes Dam Gate Recoating and Repairs Project to replace failed coatings; repair and replace corroded structural components; address State of Michigan Dam Safety Unit comments; improve maintenance, operation, and safety;

Whereas, Structural inspection of the gate has identified major issues including significant section loss of structural steel members due to advanced corrosion, bent steel members, excessive wear and failed components;

Whereas, It has been determined that it will be more costly to repair the gates as originally planned than it will be to fabricate new gates for complete replacement;

Whereas, The Geddes Dam is critical infrastructure and is classified as a high hazard potential dam and a recreational dam;

Whereas, Gerace Construction Company, Inc. (Gerace) was awarded the Geddes Dam Gate Recoating and Repair Project as part of Resolution R-19-195 on May 6, 2019;

Whereas, Funding in the amount of \$308,616.90 (\$281,416.90 plus \$27,200 contingency) is available in the approved FY20 Parks Maintenance and Capital Improvements Millage capital budget;

Whereas, Gerace complies with the City's Conflict of Interest, Living Wage and Non-Discrimination

ordinances; and

Whereas, The Park Advisory Commission unanimously recommended approval of this change order at their September 17, 2019 meeting;

RESOLVED, That Council approve Change Order No. 2 in the amount of \$281,416.90 to the Contract with Gerace for the Geddes Dam Gate Recoating and Repairs Project for a total contract amount of \$1,184,316.90 (plus \$74,900 for unrelated Barton repairs funded from a non-Parks source), to be expendable for the life of the project without regard to fiscal year;

RESOLVED, That Council approve an increase in the construction contingency by \$27,200 for a total contingency amount of \$110,000.00 to cover potential contract change orders;

RESOLVED, That Council approve an increase of the project budget by \$308,616.90 to \$1,300,916.90;

RESOLVED, That the Mayor and City Clerk be authorized and directed to execute the Change Order to the Contract after approval as to substance by the City Administrator and approval as to form by the City Attorney;

RESOLVED, That funds for this project are available for the life of the project without regard to fiscal year; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution, including approval of change orders within the approved contingency amount.