



ITEM REPORT UTILITIES COMMISSION

Agenda Date: 7/6/2022
Agenda Section: Business Item

Department Origination: Public Works

Agenda Item: Approve the Northern Plains Contracting Inc. Change Order No. 5 in the amount of \$4,102.00 for the Water Treatment Plant Improvements Project

Approval Required: Simple Majority Vote

BACKGROUND

The Council awarded the construction contract for the Water Treatment Plant Improvements Project to Northern Plains Contracting Inc. for the lump sum price of \$1,598,000.00. The notice to proceed was issued on August 23, 2021 and the Contractor began work on September 7, 2021. Change Order No. 1 was approved in the amount of \$208,194.54 by the City Council on December 21, 2021. Change Order No. 2 was approved in the amount of \$49,163.19 by the City Council on March 15, 2022. Change Order No. 3 was approved in the amount of \$27,276.40 by the City Council on March 22, 2022. Change Order 4 was approved in the amount of -\$18,270.57, adjusting the contract value to \$1,864,363.56. Change Order No. 5 is being brought forth at this meeting in the amount of \$4,102.00 and will increase the contract value to \$1,868,465.56.

In accordance with the Article 11 of the Standard General Conditions of the Construction Contract, the contract documents may be amended or supplemented by Change Order. Change Orders amend or adjust contract price or contract times and can be initiated by the Owner or the Contractor.

Change Order No. 5 is being presented because the correction period was modified in the project specifications from the standard 1-year correction period to a 2-year correction period in the Supplementary Conditions (SC-15.08). At the time of bidding, this requirement was not realized by the Contractor and Bonding Company and so the project Performance Bond does not cover the second year of the correction period. The cost to add the second year to the correction period is \$4,102.00. Northern Plains Contracting requested that the cost be added to the project at a direct pass-through cost, with no overhead and profit added to the bond invoice.

Change Order No. 5 will not modify the completion dates of the project beyond the modifications made in Change Order No. 3.

FINANCIAL IMPLICATIONS

The total of all Change Order No. 5 items is \$4,102.00. Additional details are included in the Change Order No. 5 document. Change Order No. 5 increases the total contract price from \$1,864,363.56 to \$1,868,465.56. The budget breaks down is as follows.

Project Budget Update:

Project Budget (amended at March 22, 2022 Joint Utilities Commission & City Council Meeting): \$2,225,360

- Construction Contract: \$1,598,000 (including \$50,000 Owner's Allowance)
- Contingency: \$319,600
- Engineering: \$185,050
 - SEH: \$176,050
 - AE2S: \$9,000

- Soft Costs: \$79,900
- LMCIT Required Full-Time Inspection (after 7/15/2021): \$12,810 LMCIT (included in SEH Amendment No. 2)
- Contingency Items
 - Engineering Amendments:
 - SEH Amendment No. 1: \$100
 - SEH Amendment No. 2: \$26,723.64 (not including \$12,810 LMCIT above)
 - SEH Amendment No. 3: \$25,020.00
 - AE2S: \$49,475
 - Change Order No. 1: \$208,194.54
 - Change Order No. 2: \$49,163.19
 - Change Order No. 3: \$27,276.40
 - Change Order No. 4: (\$18,270.57)
 - Change Order No. 5 (in progress): \$4,102.00
 - Misc. Costs (Underdrain Shipping, Vonco, Filter Trough Repairs): \$5,057.74
- Estimated Total Budget Remaining: (\$57,241.94)

STAFF RECOMMENDATIONS

Staff recommends approval of the Northern Plains Contracting, Inc. Change Order No. 5 in the increased amount of \$4,102.00 for additions to the Water Treatment Plant Improvements Project.

COUNCIL ACTION REQUESTED

MOTION to approve the Northern Plains Contracting, Inc. Change Order No. 5 in the increased amount of \$4,102.00 for additions to the Water Treatment Plant Improvements Project.