



TOWN OF ELIZABETH

PATRICK G. DAVIDSON, TOWN ADMINISTRATOR

TO: Honorable Mayor, Mayor Pro Tem, and Board of Trustees
FROM: Patrick Davidson, Town Administrator
DATED: April 23, 2024
SUBJECT: Change Order for Maguire Water for Tank Repairs

BACKGROUND

Through Resolution 23R27, the Board of Trustees authorized a Trade Contractor Agreement with Maguire Iron, Inc. for repairs to the Town's 300,000-gallon water storage tank, and the Town's 250,000-gallon water storage tank. The total amount due and owing in 2024 for these services is \$315,000. The Agreement anticipates the upgrade to the 1,000,000-gallon water storage tank in 2025, in the amount of \$315,000.

The Agreement included the addition of mixers within the tanks to prevent stagnant/non-moving water being delivered to residents. At the time, the mixers were expected to require electricity to operate. A design change has been recommended by Maguire which would allow the filling of the tanks from the wells to agitate the water to accomplish the same result. Ultimately, it will result in the necessary mixing of water without the use of electricity for the life of the system.

The additional piping to complete agitation of the tanks through filling of the tanks, without electricity, is \$42,150.00. The cost savings by not requiring the installation of electric powered mixers is \$35,550.00. As such, the total additional cost for the installation of the piping is only \$5,600.00. However, the current financial policies, established through 23R16 do not necessarily anticipate such a scenario.

The Administrator is granted authority to approve an amendment via a change order when it does not exceed 10% of the original agreement AND when such change order does not exceed the approved appropriation for said purchase.

In this instance, the combined change orders are approximately 13% of the original agreement, even though it technically is only an additional \$5,600.00 in actual costs to the Town of Elizabeth. Additionally, the expenditure exceeds the total amount of \$315,000.00 established in Fund No. 52, Account Number 57 of the Water and Sewer Fund. Consequently, while in total the amount at issue is only \$5,600.00, this matter should go to the Board of Trustees for approval.

ANALYSIS

While the net amount of the change order is only \$5,600.00 in additional expenditures to the Town, the amount of the specific change order, combined with the overall total costs of the change order exceed the authority of the Town Administrator, and should be referred to the Board of Trustees for action and approval.

STAFF RECOMMENDATION

Staff recommends the approval of the change orders for the reasons set forth above.

BUDGET CONSIDERATION

The proposed capital outlay for this specific item is in excess of the amounts budgeted. It is anticipated that sufficient savings will exist within the account to absorb this nominal sum.

ATTACHMENT(S)

Addendum to Resolution 23R27

Contract for Services (Change Order) -300,000-gallon tank in the amount of \$23,275.00.

Contract for Services (Change Order) – 250,000-gallon tank in the amount of \$18,875.00.

RESOLUTION 24R27

A RESOLUTION AMENDING TOWN OF ELIZABETH RESOLUTION 23R27 AND AUTHORIZING THE TOWN ADMINISTATOR AND/OR HIS DESIGNEE TO EXECUTE CHANGE ORDERS.

WHEREAS, the Board of Trustees, through Resolution 23R27, authorized a Trade Contractor Agreement with Maguire Iron, Inc. for the repairs to the Town's water tanks; and

WHEREAS, Maguire Iron, Inc. has recommended a revision to the repairs and maintenance to the tanks that will ultimately result in cost-savings to the Town of Elizabeth; and

WHEREAS, the proposal requires change orders in the total amount of \$42,150.00 [See attached **Exhibit A**], with costs savings in the amount of \$35,550.00, resulting in the total amount of the change orders being \$5,600.00; and

WHEREAS, the amount of the change orders is approximately 13% of the overall project expenditure, and exceeds the amounts approved in the 2024 Budget, thereby preventing the Town Administrator from executing the change orders without approval from the Board of Trustees.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF ELIZABETH, COLORADO AS FOLLOWS:

SECTION 1. The Board of Trustees hereby authorizes the Town Administrator to execute the change orders and associated documents identified herein as **Exhibit A**.

PASSED, APPROVED, and ADOPTED this 23rd day of April 2024, by the Board of Trustees of the Town of Elizabeth, Colorado, on first and final reading, by a vote of _____ for and _____ against.

Tammy Payne, Mayor

ATTEST:

Michelle M. Oeser, Town Clerk



MAGUIRE



CONTRACT FOR SERVICES

This contract made and entered into this 18 day of April, 2024, by and between Elizabeth, CO - Town of hereinafter called the "Owner" or "Customer" and Maguire Iron, Inc., a South Dakota Corporation with its principal office located in Sioux Falls, South Dakota, hereinafter called the "Contractor" or "Company" for and in consideration of the mutual covenants and promises hereinafter contained.

Elizabeth, CO-Change Order CST248 Exterior / Inlet / Overflow - 300MG GST

WITNESSETH:

Contractor agrees to make the following repairs and improvements on the Owner's water supply tank, and to furnish the necessary equipment, labor, material, as well as Workmen's Compensation Insurance and Contractor's Liability Insurance, and to do the work hereinafter stated in a good and workmanlike manner.

Misc Paint - Touch Up Painting on Burned Coatings from Welding Repairs

- Contractor will prep and touch up areas of coatings that are damaged from the welding repairs schedule to take place. Coatings will be applied per the manufacturer's recommendations. Color will be matched as closely as possible to the existing coatings.

Flapper Gate

- Contractor will install one (1) 8 inch flapper / Screen combination to the overflow.

Cut Off Overflow to Terminate 24 Inches Above the Ground

Extend Tank 8" Inlet Pipe 15ft and Brace to Shell with Standoffs

Install 1" XH half black steel nipple within 18" of roof access hatch for controls contractor.

Install 3/4" IMC galvanized conduit per contract notes



Supplemental Steel work to Exterior Renovation

- Extend tank inlet riser to 15' above floor and brace to sidewall. This is to assist with excess air elimination produced from wells.
- Modify existing overflow to terminate 24" above grade and install a State compliant flapper gate with screen. **Turn discharge point under the direction of the system operator.
- Install 1" XH half black steel nipple within 18" of roof access hatch for controls contractor.
- Install 3/4" IMC galvanized conduit from 4' above grade along ladder standoffs and terminate 24" from the 1" XH half black steel nipple for controls contractor.
- Touch up exterior paint where modifications and additions are made to tank. Owner to select and approve paint color.
- This proposal price is subject to acceptance of work to be done while crew is on site for the interior renovation. Eliminating an additional mobilization.

Owner will inspect the work as it progresses and upon completion and acceptance by Owner of the above work, the sum of **\$ 23,275.00** plus applicable sales, excise, and/or use tax shall become due and payable in full.

Terms: Net 30 days from acceptance and invoicing, plus applicable sales, use, excise, transfer or similar taxes required by law. A service charge of 1½% per month (annual rate of 18%) will be charged on past due accounts. During any exterior painting, Owner shall assist in removing any vehicles in the area which might receive paint damage. Contractor will exercise reasonable care and caution to avoid, but will accept no liability for damage to antenna, communication, telemetry and/or electrical system(s) which may be attached to the structure. Removal, repair and/or replacement of the antenna, communication, telemetry and/or electrical system(s) shall be the responsibility of the Owner. Contractor may apply a temporary surcharge to amounts otherwise payable under this Agreement to reflect significant cost increases for materials, supplies, and/or fuel during high inflationary periods. Owner and the authorized agents signing this contract as such agents do hereby expressly warrant that Owner has authority to make and enter into this contract and that it becomes a party hereto pursuant to a lawful resolution duly and regularly adopted by the governing board of said Owner pursuant to the applicable statutes of this State. Customer shall reimburse Company for all travel, meal and entertainment expenses incurred by Company and its employees in connection with Company's performance under the contract. To the extent that any meal or entertainment expenses incurred by Company or its employees are subject to the limitation on deductibility under IRC Section 274(n) (1) and the Regulations thereunder, Customer shall be subject to the limitation and shall reduce its deduction accordingly. **This is included in the contract amount.**

The owner will be responsible to the Company for the cost (at current market rates) of any work that has been performed prior to termination.

HAZARDOUS MATERIAL DISCLAIMER: *In the event that hazardous materials are on the water tank and this information is not addressed in the specification or made known to Maguire Iron, Inc. prior to the price or bid being supplied by Maguire Iron, Inc., any additional means of hazardous material abatement or disposal costs will be born upon the Owner.*

This constitutes the entire contract. No verbal agreements or additions will be honored. Any amendments or additions hereto must be in writing and executed by the duly authorized agents and officers of the parties hereto.



MAGUIRE

1610 North Minnesota Ave
Sioux Falls, SD 57104
Phone: (605) 334-9749
Fax: (605) 334-9752
info@maguirewater.com

IN WITNESS WHEREOF, we have set our hands and seals the day and year above written.

Owner: Elizabeth, CO - Town of

By: Mike DeVol
(Name)

PW Director

(Title)

By: _____
(Name)

Town Administrator

(Title)

MAGUIRE IRON, INC.

By: Chuck Graber 04/18/2024
(Authorized Agent) (Date)

Date Accepted: 4-22-24

Upon acceptance, please provide two (2) signatures and date the agreement.



CONTRACT FOR SERVICES

This contract made and entered into this 18 day of April, 2024, by and between Elizabeth, CO - Town of hereinafter called the "Owner" or "Customer" and Maguire Iron, Inc., a South Dakota Corporation with its principal office located in Sioux Falls, South Dakota, hereinafter called the "Contractor" or "Company" for and in consideration of the mutual covenants and promises hereinafter contained.

Elizabeth CO - Change Order CS985 Exterior / Inlet / Overflow - 250MG GST

WITNESSETH:

Contractor agrees to make the following repairs and improvements on the Owner's water supply tank, and to furnish the necessary equipment, labor, material, as well as Workmen's Compensation Insurance and Contractor's Liability Insurance, and to do the work hereinafter stated in a good and workmanlike manner.

Misc Paint - Touch Up Painting on Burned Coatings from Welding Repairs

- Contractor will prep and touch up areas of coatings that are damaged from the welding repairs schedule to take place. Coatings will be applied per the manufacturer's recommendations. Color will be matched as closely as possible to the existing coatings.

Flapper Gate

- Contractor will install one (1) 6 inch flapper / Screen combination to the overflow.

Cut Off Overflow to Terminate 24 Inches Above the Ground

Extend 6" Tank Inlet Pipe 15' and Weld Stand Offs to the Shell

1" XH half black steel nipple near hatch

Install 3/4" IMC galvanized conduit per contract notes



Supplemental Steel work to Exterior Renovation

- Extend tank inlet riser to 15' above floor and brace to sidewall. This is to assist with excess air elimination produced from wells.
- Modify existing overflow to terminate 24" above grade and install a State compliant flapper gate with screen. **Turn discharge point under the direction of the system operator.
- Install 1" XH half black steel nipple within 18" of roof access hatch for controls contractor.
- Install 3/4" IMC galvanized conduit from 4' above grade along ladder standoffs and terminate 24" from the 1" XH half black steel nipple for controls contractor.
- Touch up exterior paint where modifications and additions are made to tank. Owner to select and approve paint color.
- This proposal price is subject to acceptance of work to be done while crew is on site for the interior renovation. Eliminating an additional mobilization.

Owner will inspect the work as it progresses and upon completion and acceptance by Owner of the above work, the sum of **\$ 18,875.00** plus applicable sales, excise, and/or use tax shall become due and payable in full.

Terms: Net 30 days from acceptance and invoicing, plus applicable sales, use, excise, transfer or similar taxes required by law. A service charge of 1½% per month (annual rate of 18%) will be charged on past due accounts. During any exterior painting, Owner shall assist in removing any vehicles in the area which might receive paint damage. Contractor will exercise reasonable care and caution to avoid, but will accept no liability for damage to antenna, communication, telemetry and/or electrical system(s) which may be attached to the structure. Removal, repair and/or replacement of the antenna, communication, telemetry and/or electrical system(s) shall be the responsibility of the Owner. Contractor may apply a temporary surcharge to amounts otherwise payable under this Agreement to reflect significant cost increases for materials, supplies, and/or fuel during high inflationary periods. Owner and the authorized agents signing this contract as such agents do hereby expressly warrant that Owner has authority to make and enter into this contract and that it becomes a party hereto pursuant to a lawful resolution duly and regularly adopted by the governing board of said Owner pursuant to the applicable statutes of this State. Customer shall reimburse Company for all travel, meal and entertainment expenses incurred by Company and its employees in connection with Company's performance under the contract. To the extent that any meal or entertainment expenses incurred by Company or its employees are subject to the limitation on deductibility under IRC Section 274(n) (1) and the Regulations thereunder, Customer shall be subject to the limitation and shall reduce its deduction accordingly. **This is included in the contract amount.**

The owner will be responsible to the Company for the cost (at current market rates) of any work that has been performed prior to termination.

HAZARDOUS MATERIAL DISCLAIMER: *In the event that hazardous materials are on the water tank and this information is not addressed in the specification or made known to Maguire Iron, Inc. prior to the price or bid being supplied by Maguire Iron, Inc., any additional means of hazardous material abatement or disposal costs will be born upon the Owner.*

This constitutes the entire contract. No verbal agreements or additions will be honored. Any amendments or additions hereto must be in writing and executed by the duly authorized agents and officers of the parties hereto.



MAGUIRE

1610 North Minnesota Ave
Sioux Falls, SD 57104
Phone: (605) 334-9749
Fax: (605) 334-9752
info@maguirewater.com

IN WITNESS WHEREOF, we have set our hands and seals the day and year above written.

Owner: Elizabeth, CO - Town of

By: Mike DeVol
(Name)

PW Director

(Title)

By: _____
(Name)

Town Administrator

(Title)

MAGUIRE IRON, INC.

By: Chuck Graber 04/18/2024
(Authorized Agent) (Date)

Date Accepted: 4-22-24

Upon acceptance, please provide two (2) signatures and date the agreement.