



Council Agenda Summary

January 3, 2023

Key Staff Contact: Paul Trombino, Public Works Director

Title:

Consideration of change order #3 to the contract with Icon Engineering, Inc. (Icon) for design services for 12th Street Storm Drain Outfall Phase 1B (Project), increasing the contract from \$865,060 to \$971,790.00.

Summary:

Change Order #3 with Icon involves additional work performed during the design phase of the Project. Icon has a 2021 contract with the City of Greeley (City), executed in January 2021, for engineering design to complete this Project. Change Order #3 for \$106,730.00 will increase the contract total from \$865,060 to \$971,790.00. The Project Professional Services account has sufficient available budget to fund Change Order #3. Change Orders 1 and 2 previously increased the contract value by \$323,860.00.

The Storm Drain Project is the most critical recommended improvement from the North Greeley and Downtown Storm Drainage Master Plan, adopted in 2017. The Stormwater Division (Stormwater) programmed this project for design in 2020-21 and construction in 2023. Design is ongoing, with construction planned in early 2023.

Increased design fees stem from value engineering because of project costs of construction at the 90% submittal milestone. Advancement of design from 50% to 90% resulted in increased detailing. The City's Construction Manager at Risk returned a 90% cost estimate that increased more than \$2 million from 50% costs.

In addition, 90% plans anticipated relocation of an 8" high-pressure gas main owned and operated by Atmos Energy. Negotiations began in early 2021 to relocate this line, and initial budgetary estimates provided by Atmos were utilized in the project budget. In October 2022, Atmos received a bid to relocate this line that exceeded budgetary estimates by nearly \$1 million. Public Works determined the relocation was no longer cost effective; however, 90% design of the storm channel and box culvert relied upon its relocation. Redesign tasks are necessary to design a constructible project that does not require relocation of the gas main.

Preliminary evaluations indicate that value engineering and redesign around the gas main can reduce the cost of construction by approximately \$2.5 million. Phase 1A is proposed to be constructed with an Early Work Amendment contract, while Phase 1B will be delayed until redesign can be completed.

Fiscal Impact:

Does this item create a fiscal impact on the City of Greeley?	Yes
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If yes, what is the initial, or, onetime impact?		\$106,730.00
What is the annual impact?		Annual maintenance of system
What fund of the City will provide Funding?		432 – Storm Drain New Construction (12th Street Phase 1B)
What is the source of revenue within the fund?		432 – Stormwater Capital Fund (Stormwater Fees)
Is there grant funding for this item?		No
Additional Comments:	There is sufficient budget in the Professional Services account for this project to fully fund this Change Order	

Legal Issues:

None.

Strategic Focus Area:



Infrastructure and Mobility

Council's Recommended Action:

A motion to approve the Change Order #3.

Attachments:

Change Order #3

Icon Engineers, Inc. Original Service Contract

Icon Engineers, Inc. Additional Service Contract

12th Street Change Order #3 Presentation