



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Details (With Text)

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Title: Authority to increase Contract 01-103-2S (REBID), 39th Street Conduit Rehabilitation Phase 1 - Bypass Tunnel, Stickney Service Area, to Kenny/Shea, A Joint Venture, in an amount of \$196,792.00, from an amount of \$146,766,824.57, to an amount not to exceed \$146,963,616.57, Account 401-50000-645600, Purchase Order 5000962

Sponsors:

Indexes:

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Attachments: 1. CO 01-103-2S

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|-------------|--------|
| 9/16/2010 | 1 | Committee of the Whole | Recommended | Pass |
| 9/16/2010 | 1 | Board of Commissioners | Approved | Pass |

TRANSMITTAL LETTER FOR BOARD MEETING OF SEPTEMBER 16, 2010

COMMITTEE ON PROCUREMENT

Mr. Richard Lanyon, Executive Director

Authority to increase Contract 01-103-2S (REBID), 39th Street Conduit Rehabilitation Phase 1 - Bypass Tunnel, Stickney Service Area, to Kenny/Shea, A Joint Venture, in an amount of \$196,792.00, from an amount of \$146,766,824.57, to an amount not to exceed \$146,963,616.57, Account 401-50000-645600, Purchase Order 5000962

Dear Sir:

On December 18, 2008, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 01-103-2S (REBID), 39th Street Conduit Rehabilitation Phase 1 - Bypass Tunnel, Stickney Service Area, to Kenny/Shea, A Joint Venture, in an amount not to exceed \$146,430,000.00. The scheduled contract completion date is September 12, 2013.

As of September 3, 2010, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in the amount of \$336,824.57 from the original amount awarded of \$146,430,000.00. The current contract value is \$146,766,824.57. The prior approved change orders reflect a 0.23% increase to the original contract value.

Item 1: An extra for an amount not to exceed \$153,637.00 for Item 5D Connection to Grout Holes and associated mobilization of equipment. Item 5D was eliminated from the contract prior to award, due to an error in the quantity of connections that led to a high unit cost of \$10,000.00 per connection in Kenny/Shea, A Joint Venture's proposal. The contract had a quantity of seven (7) connections to grout holes although it was anticipated that four hundred and ninety (490) connections might be required. The high mobilization cost for this item, spread across the estimated seven (7) connections, resulted in an artificially high unit cost, which

would significantly increase the cost of the contract if more than seven (7) connections were required. The quantity of grout hole connections can vary considerably and is dependent on the rock conditions. The tunnel has been excavated and the quantity of grout hole connections is now estimated at fifty (50). The contractor submitted a revised extra work cost proposal (correspondence 465) for an amount not to exceed \$153,637.00 which includes a lump sum of \$58,737.00 for mobilization of equipment and a unit cost of \$1,898.00 for each connection. The engineer reviewed the proposal, found it to be reasonable, and stated via correspondence 466, that the Engineering Department would recommend its approval.

This change order is in compliance with the Illinois Criminal Code since the change is germane to the contract.

Item 2: An extra for an amount not to exceed \$43,155.00 for Kenny/Shea, A Joint Venture's efforts to assist with the design, field and survey verification and product research associated with modifying the Upper Des Plaines Diversion Structure. The structure was deleted from Contract 04-125-3S (REBID), Upper Des Plaines Pumping Station Rehabilitation and TARP Connection, because the District sewer that the diversion structure was connecting to was not in the location shown on the drawings. This made it impossible to build the diversion structure as planned. The Construction Division requested to have a contractor experienced in deep excavation and structures work to assist in designing a diversion structure that could be constructed in the current excavation. A modified diversion structure was designed and the District sent Kenny/Shea, A Joint Venture, RFQ 005, requesting a proposal to construct the diversion structure and other work deleted from Contract 04-125-3S (REBID). After reviewing the contractor's proposal to construct the modified diversion structure, the Engineering and Maintenance and Operations Departments decided to eliminate the diversion structure entirely due to the high cost. The contractor is being reimbursed for their efforts for the design, field and survey verification and product research associated with modifying the diversion structure. The contractor submitted a revised extra work cost proposal (correspondence 459) for an amount not to exceed \$43,155.00 for their efforts associated with the modified Upper Des Plaines Diversion Structure. The engineer reviewed the proposal, found it to be reasonable, and stated via correspondence 463, that the Engineering Department would recommend its approval.

This change order is in compliance with the Illinois Criminal code since the change is due to circumstances not reasonably foreseeable at the time the contract was signed, and is in the best interest of the District.

It is hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute two change orders to increase Contract 01-103-2S (REBID) in an amount of \$196,792.00 (0.13% of the current contract value) from an amount of \$146,766,824.57 to an amount not to exceed \$146,963,616.57.

Funds are available in Account 401-50000-645600.

Requested, Kenneth A. Kits, Director of Engineering, WSS:KMF
Recommended, Darlene A. LoCascio, Director of Procurement and Materials Management
Respectfully Submitted, Barbara J. McGowan, Chairman Committee on Procurement
Disposition of this agenda item will be documented in the official Regular Board Meeting Minutes of the Board of Commissioners for September 16, 2010

Attachment