



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 04-202-4F Connecting Tunnels & Gates, Thornton Composite Reservoir, Calumet Service Area, to Walsh/II in One Joint Venture in an amount of \$500,000.00, from an amount of \$136,077,670.92, to an amount not to exceed \$136,577,670.92, Account 401-50000-645600, Purchase Order 5001136

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Attachments: 1. CO Log 04-202-4F.pdf

Date	Ver.	Action By	Action	Result
6/4/2015	1	Board of Commissioners	Approved	Pass
6/4/2015	1	Committee of the Whole	Recommended	Pass

TRANSMITTAL LETTER FOR BOARD MEETING OF JUNE 4, 2015

COMMITTEE ON Procurement

Mr. David St. Pierre, Executive Director

Authority to increase Contract 04-202-4F Connecting Tunnels & Gates, Thornton Composite Reservoir, Calumet Service Area, to Walsh/II in One Joint Venture in an amount of \$500,000.00, from an amount of \$136,077,670.92, to an amount not to exceed \$136,577,670.92, Account 401-50000-645600, Purchase Order 5001136

Dear Sir:

On May 6, 2010, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 04-202-4F Connecting Tunnels & Gates, Thornton Composite Reservoir, Calumet Service Area, to Walsh/II in One, Joint Venture, in an amount not to exceed \$135,475,200.00. The scheduled contract completion date was May 14, 2015.

As of May 22, 2015, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in an amount of \$602,470.92 from the original amount awarded of \$135,475,200.00. The current contract value is \$136,077,670.92. The prior approved change orders reflect a 0.44% increase to the original contract value.

The contractor has claimed additional compensation for the issues described below.

Item 1: Additional costs for differing site conditions at the diffuser slab area. The contract documents include the construction of a large concrete diffuser slab inside the quarry at the tunnel portal of the reservoir. The diffuser slab is required to be anchored into the quarry floor using rock anchors. During excavation of the

diffuser slab, the contractor discovered fractured rock to depths of up to six feet below the quarry floor as a result of quarry mining operations, instead of the competent rock condition expected. The contractor submitted a cost proposal for an extra in the amount of \$500,000.00 for installation of rock anchors through the fractured subgrade. The work included placement of self-leveling grout over the top of the fractured subgrade and installation of protective collar pipes to prevent loose rock from falling into rock anchor holes.

Item 2: Additional costs for handling water at the diffuser slab area. The contract documents include handling of all water in the construction area of the diffuser slab including groundwater flow. Based on the fractured rock conditions encountered at the apron slab area, the contractor experienced difficulties in keeping the work area dewatered. Additionally, runoff from the tollway is diverted into the reservoir exacerbating the problem. The contractor submitted a cost proposal for an extra in the amount of \$226,200.00 for the cost incurred in handling additional water encountered in the diffuser slab excavation area infiltrating from the other areas of the quarry due to the fractured rock conditions.

Item 3: Additional insurance premium costs due to mining delays. Per the contract documents, the access ramp and the contractor's work area within the quarry were scheduled to be available on January 1, 2011. Due to a reduced market for aggregate products from the quarry, and work required on other Thornton Composite Reservoir contracts, the quarry operator could not mine the required areas by January 1, 2011. The District granted a 243 day time extension for the contract delay. The contractor submitted a cost proposal for an extra in the amount of \$139,641.00 for reimbursement of the additional insurance premium costs incurred due to this time extension.

Item 4: Contract acceleration costs. The contractor has claimed additional time for the alleged unavoidable delays experienced due to 1) abnormal weather conditions that affected the construction to date, 2) delays experienced due to the extreme inflows of water encountered during excavation of the diffuser slab, and 3) the time for the additional work required due to differing rock conditions at the diffuser slab. The contractor constructed a temporary concrete bulkhead in the existing TARP tunnel at his own risk, to accelerate the contract completion schedule by 164 days. The contractor submitted a cost proposal for an extra in the amount of \$885,600.00 as a result of construction of the bulkhead. The contractor proposed that the temporary bulkhead will allow him recovery of these unavoidable delays, and in addition, it will accelerate the construction of the tunnel connection work significantly by eliminating risk and delays associated with working under live tunnel conditions. The construction of the connecting tunnel and removal of the temporary bulkhead will take only six weeks which saves thirteen weeks compared to the original construction without the bulkhead.

The total cost for all claims described in Items 1 through 4 above is \$1,401,441.00. However, after engaging in settlement negotiations, the contractor agreed to accept \$500,000.00 in full settlement and compromise of any and all claims and liens it has against the District relating to the above described claims.

The Director of Engineering found the proposed settlement (CCO-013) in the amount of \$500,000.00 to be reasonable and acceptable, and stated via correspondence 1478 and 1515, that the Engineering Department would recommend its approval.

The above change orders are in compliance with the Illinois Criminal Code since the changes are due to circumstances not reasonably foreseeable at the time the contract was signed, and are 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 a change order to increase Contract 04-202-4F in an amount of \$500,000.00 (0.37% of the current contract value), from an amount of \$136,077,670.92, to an amount not to exceed \$136,577,670.92.

Funds are available in Account 401-50000-645600.

Requested, Catherine A. O'Connor, 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 June 4, 2015

Attachments