



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Details (With Text)

**File #:** 10-1145      **Version:** 1

**Type:** Agenda Item      **Status:** Adopted

**File created:** 9/30/2010      **In control:** Procurement Committee

**On agenda:** 10/7/2010      **Final action:** 10/7/2010

**Title:** Authority to decrease Contract 04-824-2P Tertiary Filter Rehabilitation, Pump VFDs & Other Plant Improvements at the Egan, Hanover Park, and Kirie Water Reclamation Plants, to IHC Construction Companies, LLC, in an amount of \$24,255.00, from an amount of \$16,678,795.41, to an amount not to exceed \$16,654,540.41, Accounts 401-50000-645650 and 645750, Purchase Order 5000803

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. CO 04-824-2P

Date	Ver.	Action By	Action	Result
10/7/2010	1	Committee of the Whole	Recommended	Pass
10/7/2010	1	Board of Commissioners	Approved	Pass

### TRANSMITTAL LETTER FOR BOARD MEETING OF OCTOBER 7, 2010

#### COMMITTEE ON PROCUREMENT

Mr. Richard Lanyon, Executive Director

Authority to decrease Contract 04-824-2P Tertiary Filter Rehabilitation, Pump VFDs & Other Plant Improvements at the Egan, Hanover Park, and Kirie Water Reclamation Plants, to IHC Construction Companies, LLC, in an amount of \$24,255.00, from an amount of \$16,678,795.41, to an amount not to exceed \$16,654,540.41, Accounts 401-50000-645650 and 645750, Purchase Order 5000803

Dear Sir:

On December 6, 2007, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 04-824-2P Tertiary Filter Rehabilitation, Pump VFDs and Other Plant Improvements at the Egan, Hanover Park, and Kirie Water Reclamation Plants (WRPs), to IHC Construction Companies, LLC, in an amount not to exceed \$16,074,400.00. The scheduled contract completion date was January 10, 2010.

As of September 17, 2010, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in an amount of \$604,395.41 from the original amount awarded of \$16,074,400.00. The current contract value is \$16,678,795.41. The prior approved change orders reflect a 3.76% increase to the original contract value.

The contract involves the installation of three new 150 horsepower motors for the waste activated sludge pumps in the Kirie WRP Blower Building. The contract documents require the motors to have an efficiency of 95.0% at full load. After installation, it was observed that information on the motor nameplates did not match the approved submittal. The contractor then had all three motors tested by a different manufacturer, and the results indicated that the efficiency of each motor was fractionally just below that specified. To compensate

the District for increased operating costs, due to motor efficiencies lower than specified, the contractor offered a credit. The factors used to calculate the credit will provide a monetary credit at least 1.5 times what the District would expect to expend in additional energy costs. Since the motors are installed, tested, operational, the contract is near completion, and the credit more than compensates the District for potential lost efficiencies, it is in the District's best interest to accept this credit and bring this to a close.

The contractor submitted a credit cost proposal (COR-51) in the amount of \$24,255.00. The engineer reviewed the proposal, found it reasonable, and stated via correspondence 774, 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 original contract.

It is hereby recommended that the Board of Commissioners authorize the Director of Procurement and Materials Management to execute a change order to decrease Contract 04-824-2P in an amount of \$24,255.00 (0.15% of the current contract value), from an amount of \$16,678,795.41, to an amount not to exceed \$16,654,540.41.

Funds will be restored in Accounts 401-50000-645650 and 645750.

Requested, Kenneth A. Kits, Director of Engineering, TEK:GG

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 October 7, 2010

Attachment