



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

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TRANSMITTAL LETTER FOR BOARD MEETING OF DECEMBER 7, 2017

COMMITTEE ON PROCUREMENT

Mr. David St. Pierre, Executive Director

Authority to increase Contract 73-161-EH McCook Reservoir Excavation Agreement, to Vulcan Construction Materials, L.P., in an amount of \$2,978,132.00, from an amount of \$94,717,289.25, to an amount of \$97,695,421.25, Account 401-50000-645620, Purchase Order 5000176

Dear Sir:

On September 4, 2003, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 73-161-EH McCook Reservoir Excavation Agreement, to Vulcan Construction Materials, L.P. A purchase order was established in an amount of \$45,040,000.00 to reimburse Vulcan for the estimated hard costs associated with the Agreement. The contract is scheduled to expire after completion of mining in 2028.

The terms of the agreement provide for reimbursement of "Hard Costs" associated with the mining operation over a period of approximately 20 years. The agreement recognized that additional hard cost items would be identified over time and provided for their reimbursement. The agreement also recognized that the costs included were initial estimates and that reimbursement would be based on costs actually incurred. As of November 17, 2017, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in an amount of \$49,677,289.25 from the original amount awarded of \$45,050,000.00. The current contract value is \$94,717,289.25.

Item 1: A decrease in the value of Item 8.3-12: Other - Advance Mining, in an amount of \$405,002.00 from an amount of \$27,000,000.00 to an amount not to exceed \$26,594,998.00. The decrease is being applied to reflect the actual cost of advance mining in Stage 1 now that the work is completed.

Item 2: An increase in the value of Item 8.3-7: Other - Miscellaneous Start-Up Mining Work, in an amount of \$235,123.00 from an amount of \$3,464,877.00 to an amount not to exceed \$3,700,000.00. The additional funds are required to pay for miscellaneous start-up costs in Stage 2 including site work, relocation of equipment, and analysis of Stage 1 / 2 weir conditions and potential seepage issues.

Item 3: An increase in the value of Item 8.3-9: Other - Groundwater Pumping System, in an amount of \$248,011.00 from an amount of \$594,000.00 to an amount not to exceed \$842,011.00. As Vulcan continues to mine Stage 2 to deeper levels, it is required that they extend the existing Stage 2 dewatering system. The additional components required include approximately 1,200 feet of HDPE pipe, associated pipe fittings, and electrical components. Additional components will be required in the future as Vulcan progresses to the lower levels of Stage 2, although much of the Stage 1 dewatering system will be repurposed to the extent practical.

Item 4: An increase is now required to reimburse Vulcan for the cost of installing a CSO seepage control system to capture CSO stored in Stage 1 that seeps through the Stage 1 / 2 weir and into the active mine area. Vulcan is concerned that CSO seeping from Stage 1 to Stage 2 will migrate through the rock weir and

contaminate their clean water ponds as well as introduce their employees to potential health hazards, and they expressed reservations about mining when Stage 1 is full. Recent modeling of the weir geology suggests that seepage through the weir will be at a rate of approximately 500 gpm when the reservoir is filled above approximately elevation -150 CCD. The current plan is to collect this seepage into a sump and pump it back into Stage 1.

Vulcan solicited bids for this work and has received responses from three (3) bidders as required per the Agreement; however, one bidder submitted an incomplete proposal as a result of the compressed schedule required to complete this work on time. Based on the lowest bid, this work is estimated to cost approximately \$1,000,000.00. This work will be added as Item 8.3-14: Other - CSO Seepage Control System.

Item 5: An increase is now required to reimburse Vulcan for the costs of installing a plug in the abandoned 73rd Street Tunnel in the area where it crosses the Stage 1 / 2 weir. When water fills Stage 1 to approximately elevation -150, water can enter the abandoned tunnel and from there, seep into the area being mined in Stage 2. The risk of inflow from Stage 1 will continue to increase as Vulcan continues to mine closer to the final mining line on the east end of Stage 2. The volume of water that could flow from Stage 1 through this pathway is significant and failure to plug this tunnel in the immediate future could lead to delays in the mining of Stage 2. This work was identified several years ago and was planned to be completed by the US Army Corps of Engineers. In light of their current budget woes, the Corps has made it clear that this work cannot be completed in a satisfactory time frame and the District believes that pursuing this work through Vulcan will be the most cost effective and timely way to complete the work. This work is estimated to cost approximately \$1,900,000.00. This work will be added as Item 8.3-15: Other - 73rd Street Tunnel Plug.

This change order is 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 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 a change order to increase Contract 73-161-EH in an amount of \$2,978,132.00 (3.14% of the current contract value), from an amount of \$94,717,289.25, to an amount not to exceed \$97,695,421.25.

Funds are available in Account 401-50000-645620.

Requested, Marcella V. Landis, Acting 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 December 7, 2017

Attachment