



Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street
Chicago, IL 60611

Legislation Text

File #: 10-0377, **Version:** 1

TRANSMITTAL LETTER FOR BOARD MEETING OF MARCH 18, 2010

COMMITTEE ON PROCUREMENT

Mr. Richard Lanyon, Executive Director

Authority to increase Contract 04-294-3M, Calumet TARP Valve Isolation Chamber and Pump Station Upgrade, Calumet Water Reclamation Plant to Kenny Construction Company, in an amount of \$61,713.88, from an amount of \$60,409,059.22, to an amount not to exceed \$60,470,773.10, Account 401-50000-645600, Purchase Order 5000309

Dear Sir:

On December 2, 2004, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 04-294-3M, Calumet TARP Valve Isolation Chamber and Pump Station Upgrade, Calumet Water Reclamation Plant (WRP), to Kenny Construction Company, in an amount not to exceed \$57,126,700.00. The contract terms called for the completion of all work by June 23, 2008. This contract is still in progress.

As of March 5, 2010, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in an amount of \$3,282,359.22 from the original amount awarded of \$57,126,700.00. The current contract value is \$60,409,059.22. The prior approved change orders reflect a 5.75% increase to the original contract value.

The contract involves the replacement of four TARP pumps, located at east 2 and 3 and west 2 and 3, at the Calumet WRP. The pumps were supplied under a separate furnish and deliver contract. Shortly after the completion of the 60 day test, the pump located at east 3 was shut down, due to a burned out bearing. A subsequent investigation determined that this pump had drifted out of alignment. The pump located at east 2 was then checked and also found to be out of alignment. The contractor was requested to repair and realign the pumps and hire an expert to determine the source of the misalignments. This work was under warranty and the contractor's responsibility, until the source of the misalignments was determined. Since that time, a more comprehensive study was performed, which determined that the misalignments were due to the pump design and were not the fault of the contractor. Therefore, the contractor's work to repair and realign the pumps is extra to the contract, and the pump manufacturer will be back charged for these costs.

The contractor submitted a cost proposal (COR-36) in the amount of \$61,713.88 to perform the work. The engineer reviewed the proposal, found it reasonable, and stated via file letter 1037, that the Engineering Department would recommend its approval.

This change order is in compliance with the Illinois Criminal Code since the change is in the best interest of the District, and is authorized by law.

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 04-294-3M, in an amount of \$61,713.88 (0.10% of the current contract value), from an amount of \$60,409,059.22, to an amount not to

exceed \$60,470,773.10.

Funds are available in Account 401-50000-645600.

Requested, Kenneth A. Kits, Acting Director of Engineering, TEK:JAW

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 March 18, 2010

Attachment