



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 OCTOBER 7, 2010

COMMITTEE ON PROCUREMENT

Mr. Richard Lanyon, Executive Director

Authority to increase Contract 04-294-3M, Calumet TARP Isolation and Pump Station Improvements, Calumet Water Reclamation Plant, to Kenny Construction Company, in an amount of \$40,913.72, from an amount of \$60,898,595.64, to an amount not to exceed \$60,939,509.36, 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 Isolation and Pump Station Improvements, Calumet Water Reclamation Plant, to Kenny Construction Company, in an amount not to exceed \$57,126,700.00. The scheduled contract completion date was June 23, 2008.

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 \$3,771,895.64 from the original amount awarded of \$57,126,700.00. The current contract value is \$60,898,595.64. The approved change orders reflect a 6.60% increase to the original contract value.

After a meeting with a Chicago elevator inspector on May 7, 2008, it was determined that several modifications were necessary to make the existing TARP elevator conform to the current design standards. The work consisted of a change from contract specified painted rigid galvanized electrical conduit to PVC coated electrical conduit. Previous change order negotiations on this subject resulted in a final and binding decision by the Engineer in order to avoid delaying the project (COR-92). After completion of the work, the contractor submitted a supplemental claim against the previous change order (COR-92) for additional compensation of \$47,728.40 for the labor and materials related to the installation of PVC coated conduit. Several meetings were held and backup information was submitted in support of the additional cost. The information provided was reviewed and sufficient justification for the claim was found. A settlement amount of \$40,913.72 was offered by the District and accepted by the contractor.

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 a change order to increase Contract 04-294-3M in an amount of \$40,913.72 (0.07% of the current contract value), from an amount of \$60,898,595.64, to an amount not to exceed \$60,939,509.36.

Funds are available in Account 401-50000-645600.

Requested, Kenneth A. Kits, Director of Engineering, MVL:CH

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