



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Details (With Text)

**File #:** 13-0332      **Version:** 1

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

**File created:** 4/2/2013      **In control:** Procurement Committee

**On agenda:** 4/4/2013      **Final action:** 4/4/2013

**Title:** Authority to increase Contract 73-161-EH McCook Reservoir Excavation Agreement, to Vulcan Construction Materials, L.P., in an amount of \$6,250,000.00, from an amount of \$60,245,394.23, to an amount not to exceed \$66,495,394.23, Account 401-50000-645620, Purchase Order 5000176

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. CO 73-161-EH.pdf, 2. Mining Costs - April 2013

Date	Ver.	Action By	Action	Result
4/4/2013	1	Committee of the Whole	Recommended	Pass
4/4/2013	1	Board of Commissioners	Approved	Pass

### TRANSMITTAL LETTER FOR BOARD MEETING OF APRIL 4, 2013

#### 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 \$6,250,000.00, from an amount of \$60,245,394.23, to an amount not to exceed \$66,495,394.23, 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., in an amount not to exceed \$45,040,000.00. The contract is scheduled to expire in 2027.

As of March 22, 2013, the attached list of change orders has been approved. The effect of these change orders resulted in an increase in an amount of \$15,205,394.23 from the original amount awarded of \$45,040,000.00. The current contract value is \$60,245,394.23. The prior approved change orders reflect a 33.76% increase to the original contract value.

Item 1: A decrease in the value of Item 8.3.B, Crusher System Moves, in an amount of \$1,000,000.00 from an amount not to exceed \$3,485,123.00 to an amount not to exceed \$2,485,123.00. The configuration of the primary crusher at the LASMA Site varies from that contemplated in the original agreement and does not lend itself to frequent relocations. The original agreement contemplated six (6) relocations of the crusher. That estimate was previously revised down to five (5) moves. It is now apparent that it will be more efficient to purchase additional haul trucks rather than move the crusher around. Due to the downward revision in anticipated crusher relocations, the estimate for this item is reduced by \$1,000,000.00.

Item 2: An increase is now required to reimburse Vulcan for the cost of procuring additional mining equipment.

In order to maintain adequate efficiency and production levels at the LASMA Site as the excavation becomes deeper and haul distances become longer, Vulcan requires the use of at least one additional haul truck. Prior to the end of 2013, one (1) additional truck is required to maintain efficiency and the need for further equipment will be reevaluated in the future. Since the additional trucks will be needed for the lower levels of Stage 1 and again for the lower levels of Stage 2, and will be used solely as back-up equipment for the periods in between, it is more economical to obtain used equipment than to procure new mining trucks. Currently, one truck is required and Vulcan estimates that the procurement of this truck will cost approximately \$1,000,000.00. This work will be added as Item 8.3-10 of the hard costs.

Item 3: An increase is now required to reimburse Vulcan for the cost of paying additional wages and applicable fringe benefits (collectively referred to as "wages") at the McCook Reservoir site. On April 23, 2008, an inquiry was made of the District as to whether the Prevailing Wage Act applied to the mining of the McCook Reservoir. Subsequently, the International Union of Operating Engineers, Local 150 filed a grievance against Vulcan alleging that it is bound to the terms of the Heavy Highway Underground Agreement (HHUA) negotiated under the Mid-America Regional Bargaining Association (MARBA) rather than the collective bargaining agreement negotiated by Northern Illinois Material Producers Association (NIMPA), which Vulcan denied. A settlement agreement has been reached between the District, Vulcan, and Local 150, which is submitted to the Board for approval in a separate letter at this meeting, in the amount of \$700,000.00 for work performed from 2008 through 2012. Vulcan has agreed to pay mutually acceptable wages and fringes to Local 150 members from January 1, 2013 through the remainder of the project. As previously agreed to in Amendment 7 of the Agreement between the District and Vulcan, the District is responsible for reimbursing Vulcan, as a hard cost, for the wage and fringe difference between the normal mining rate and the prevailing rate determined to be due or otherwise agreed to. It is currently estimated that the total cost for reimbursement of the wage and fringe benefit difference for the remainder of the project for Local 150 members, including the aforementioned settlement amount, is \$6,250,000.00. This work will be added as Item 8.3-11 of the hard costs.

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 73-161-EH in an amount of \$6,250,000.00 (10.37% of the current contract value), from an amount of \$60,245,394.23, to an amount not to exceed \$66,495,394.23.

Funds are available in Account 401-50000-645620.

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 April 4, 2013

Attachment

Client : 100  
 Report Name: ZREP\_CHNGE\_ORDER\_LOG  
 Requester : JAMESJ

Change Order Log Report

System ID: 04/01/2013 13:27:4  
 Page: 1

PO No. : 5000176  
 Tracking No. : EN73161BH  
 Vendor No. : 6000795

Original Value: 45,040,000.00  
 Approved Value: 60,245,394.23  
 Current Value : 60,245,394.23

Change Number	Text	Value	Initiator	Date	File Letter	CR #	Board Approval	Status	Approver	Seq. No.	Check Number	Object Class
0001	Incr. \$9,610,000 Per 01-04-07 Purchasing Item 5b	9,610,000.00	CHRWINGTON	02/07/2007				Approved	USDPLMC	0001	2616142	EINKEELES
0002	Increase \$43,956.23 per Dec. 6 2007 Purchasing Item 5f	43,956.23	CHRWINGTON	12/21/2007				Approved	USDPLMC	0001	2616143	MM_SERVICE
0003	Incr. \$2,750,000 Per 01-17-08 Board Partn. Item 5p.	2,750,000.00	CHRWINGTON	01/28/2008			X	Rejected	USDPLMC	0002	2943933	EINKEELES
0004	Incr. \$2,750,000 per 01-17-08 Board Partn. Item 5e	2,750,000.00	CHRWINGTON	01/28/2008			X	Approved	USDPLMC	0003	2943934	MM_SERVICE
0005	Per Board Order 12/16/10, Report No. 10-1599.	900,000.00	JAMESJ	02/05/2011			X	Approved	USDPLMC	0003	2976321	EINKEELES
0006	Per Board Order 2/2/12, Report No. 12-0151.	1,901,438.00	JAMESJ	02/16/2012			X	Approved	USDPLMC	0003	2976322	MM_SERVICE
										004	2977251	EINKEELES
										004	2977252	MM_SERVICE
										005	4028841	EINKEELES
										005	4028842	MM_SERVICE
										006	4307352	EINKEELES
										006	4307353	MM_SERVICE

ATTACHMENT 1

**McCook CUP Reservoir  
Contract 73-161-EH: McCook Reservoir Excavation Agreement  
Mining Costs - April 4, 2013**

**Summary of Hard Costs**

Agreement Reference	Description	Estimate Reported 2/2/12	Latest Estimate	Difference
8.3.A.	Incremental Electric Costs	\$2,500,000	\$2,500,000	\$0
8.3.B.	Crusher System Moves	\$3,485,123	\$2,485,123	-\$1,000,000
8.3.C.1.	Incremental Conveyance System Maintenance & Repair	\$9,965,000	\$9,965,000	\$0
8.3.C.2.	Incremental Conveyance System Energy	\$4,500,000	\$4,500,000	\$0
8.3.D.	Start-Up Equipment Rentals (starter pit)	\$3,000,000	\$3,000,000	\$0
8.3.E.	Pre-Splitting	\$11,800,000	\$11,800,000	\$0
8.3.F.1.&2.	Short-Bench Mining - Non-Developmental	\$700,000	\$700,000	\$0
8.3.F.3.	Short-Bench Mining - Developmental	\$1,750,000	\$1,750,000	\$0
8.3.F.4.	Short Bench Mining Materials	\$800,000	\$800,000	\$0
8.3.G.	Additional Administration	\$3,085,000	\$3,085,000	\$0
8.3.H.	Removal of Deleterious Material	\$1,000,000	\$1,000,000	\$0
8.3.I.	Incremental Insurance	\$3,000,000	\$3,000,000	\$0
8.3.J.	Performance Bond	\$1,000,000	\$1,000,000	\$0
8.3-1	<i>Other - Conveyor Pad</i>	<i>\$671,380</i>	<i>\$671,380</i>	<i>\$0</i>
8.3-2	<i>Other - Rock Trench and Site Preparation</i>	<i>\$5,862,611</i>	<i>\$5,862,611</i>	<i>\$0</i>
8.3-3	<i>Other - Road Base and Stemming Material</i>	<i>\$2,000,000</i>	<i>\$2,000,000</i>	<i>\$0</i>
8.3-4	<i>Other - Tires for Mining Trucks</i>	<i>\$700,000</i>	<i>\$700,000</i>	<i>\$0</i>
8.3-5	<i>Other - IDOT Certification</i>	<i>\$150,000</i>	<i>\$150,000</i>	<i>\$0</i>
8.3-6	<i>Other - Reimbursement for Crusher Liner Plates<sup>1</sup></i>	<i>\$43,956</i>	<i>\$43,956</i>	<i>\$0</i>
8.3-7	<i>Other - Miscellaneous Start-Up Mining Work</i>	<i>\$3,464,877</i>	<i>\$3,464,877</i>	<i>\$0</i>
8.3-8	<i>Other - Parking Lot Retaining Wall and Modification</i>	<i>\$388,447</i>	<i>\$388,447</i>	<i>\$0</i>
8.3-9	<i>Other - Groundwater Pumping System</i>	<i>\$379,000</i>	<i>\$379,000</i>	<i>\$0</i>
8.3-10	<i>Other - Additional Mining Equipment</i>	<i>\$0</i>	<i>\$1,000,000</i>	<i>\$1,000,000</i>
8.3-11	<i>Other - Prevailing Wage Rate Differential</i>	<i>\$0</i>	<i>\$6,250,000</i>	<i>\$6,250,000</i>
Total		\$60,245,394	\$66,495,394	\$6,250,000.00

<sup>1</sup>MWRD was reimbursed this amount from Metso, who supplied the original crusher liner plates.