



# Metropolitan Water Reclamation District of Greater Chicago

100 East Erie Street  
Chicago, IL 60611

## Legislation Text

File #: 22-0680, Version: 1

### TRANSMITTAL LETTER FOR BOARD MEETING OF AUGUST 11, 2022

#### COMMITTEE ON PROCUREMENT

Mr. Brian A. Perkovich, Executive Director

Authority to decrease Contract 16-079-3D Rehabilitation of North Branch Pumping Station, NSA, to Path Construction Company, Inc. in an amount of \$2,379,660.58, from an amount of \$5,429,546.74, to an amount not to exceed \$3,049,886.16, Account 401-50000-645780, Purchase Order 4000060

Dear Sir:

On August 2, 2018, the Board of Commissioners authorized the Director of Procurement and Materials Management to award Contract 16-079-3D Rehabilitation of North Branch Pumping Station, NSA, to Path Construction Company, Inc., in an amount not to exceed \$4,613,450.00, plus a five (5) percent allowance for change orders in an amount of \$230,672.50, for a total amount not to exceed \$4,844,122.50. The scheduled contract completion date was September 6, 2020.

As of July 15, 2022, the attached list of change orders has been approved.

Original Contract Amount	\$4,613,450.00
Date of Board Approval	8/02/2018
Cumulative Change Order (7/15/2022)	\$816,096.74
% Change of Original Contract Value	17.69%
Current Contract Value	\$5,429,546.74
Requested Decrease	-\$2,379,660.58
New Contract Value	\$3,049,886.16
% Change of Current Contract Value	-43.83%
Total % Change of Original Contract Value	-33.89%

While performing contract repair work on the North Branch Pumping Station deck at elevation +20.0 and replacement of Stair B, it was discovered that several sections of the deck are in poor condition and the existing north boat dock bracket, intended to support the new stairs, is severely deteriorated. Due to the condition of the structures, and after reviewing the contractor's proposals, the engineer determined that addressing all the issues with the existing deck at elevation +20.0, the boat dock, and other concrete structures at the North Branch Pumping Station would result in a significant increase to the contract value due to change orders and further delay this contract. As a result, the contractor was directed via Formal Communications FC-9, FC-15, FC-16, and FC-18 to cease all work associated with the contract with limited exceptions. RFP-8 was issued to the contractor, requesting a detailed cost proposal to address the following:

1. Any outstanding billing for work completed to date.
2. Credit for all remaining contract work which had not yet been completed.
3. All pending contractor claims, other incurred costs, and any other additional work and/or demand of every kind and nature that it has or may have against the District resulting from the performance of Contract 16-079-3D.

The proposal described above was intended to serve as a final settlement of the contract. However, the District and Path could not agree on a cost after several proposal iterations. Therefore, in order to move forward with the contract settlement, a meeting between the District and Path Construction, Inc. (Path) was held on May 4, 2022. During this meeting, the District and Path reached the settlement agreement outlined in this change order, pending approval by the District's Board of Commissioners. The proposed settlement intends to resolve all claims, other incurred costs, and any other additional work and/or demand of every kind and nature that Path has or may have against the District, its commissioners, officers, agents and employees arising out of or resulting from the performance of Contract 16-079-3D. Acceptance by the contractor shall release the District from any and all future claims related to the project. Once approved, this contract will be closed.

The work has been completed. Before the engineer's determination on the change order, the contractor proceeded at his own risk with this work as determined in his best interest in executing the overall contract. The contractor submitted a cost proposal (COR-17) for an extra in the amount of \$230,000.00 and a credit in the amount of \$2,609,660.58, for a net credit in the amount of \$2,379,660.58. The engineer reviewed the proposal, found it to be reasonable, and stated via correspondence (COR-17), that the Engineering Department would recommend its approval.

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 decrease Contract 16-079-3D in an amount of \$2,379,660.58 (43.83% of the current contract value), from an amount of \$5,429,546.74, to an amount not to exceed \$3,049,886.16.

Funds are available in Account 401-50000-645780.

Requested, Catherine A. O'Connor, Director of Engineering, GMR:GRR  
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 August 11, 2022

Attachment