



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1011-42 CO#1

File ID: K-1011-42 CO#1 **Type:** Contract **Status:** Consent Item

Version: 1 **Reference:** Item No. 21 **In Control:** City Council

Department: Utilities Department **Cost:** **File Created:** 07/21/2014

File Name: Final Change Order #1 -OCE -Energy **Final Action:**

Title: CHANGE ORDER NO. ONE TO CONTRACT NO. K-1011-42: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND OIL CAPITAL ELECTRIC, L.L.C. DECREASING THE CONTRACT AMOUNT BY \$91,259.51 FOR A REVISED CONTRACT AMOUNT OF \$2,213,740.49 AND EXTENDING THE CONTRACT BY 189 CALENDAR DAYS FOR THE WASTEWATER TREATMENT PLANT ENERGY IMPROVEMENTS PROJECT AND FINAL ACCEPTANCE OF THE PROJECT.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Change Order No. One to Contract No. K-1011-42 with Oil Capital Electric, L.L.C., decreasing the contract amount by \$91,259.51 for a revised contract amount of \$2,213,740.49 and extending the contract by 189 calendar days; and if approved, authorize the execution thereof, accept the project, and direct final payment in the amount of \$47,490.50 to Central Contracting Services, Inc.

ACTION TAKEN: _____

Agenda Date: 08/12/2014

Agenda Number: 21

Attachments: Change Order No. One to K-1011-42.pdf, Agnd - Energy - CO1Final -Req

Project Manager: Charlie Thomas, Capital Projects Engineer

Entered by: charlie.thomas@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

Text of Legislative File K-1011-42 CO#1

Body

BACKGROUND: Prior to this project the Waste Water Treatment Plant (WWTP) had four (4) 350 HP blowers supplying air to our aeration basins. The blower motors ran at 100% speed with an automatic valve on the discharge piping to control how much air was delivered to the basins. By installing variable frequency drive (VFD) motor controls, motor speed may now be modulated for the amount of air needed, thus reducing the power demand and cost to supply the required amount of air. Also, the former north digester sludge boilers installed in 1963 had out lived their useful life. The new boiler units both enhanced efficiency and upgraded performance to 450,000 Btu/hour, based on 150 gallons per minute of sludge circulation. The completed project reduces power consumption by about 1,717,000 KWH, saving approximately \$103,000 annually.

On June 23, 2009, staff submitted an application for an Energy Efficiency and Conservation Block Grant (EECBG) administered by the U.S. Department of Energy (DOE) to fund both of the preceding components of the project from stimulus funds. On August 6, 2009, staff was notified of award of the grant in the amount of \$1,001,400. Grant funds were received on a reimbursement basis upon payment of approved invoices. All grant funds were expended and reimbursed. The grant is closed.

The third component of this project is Supervisory Control and Data Acquisition (SCADA), which assists the operator by electronically monitoring various plant treatment and lift station activities and reporting current status to a central location. The former SCADA system at the Water Reclamation Facility (WRF) allowed no new capacity for adding monitoring points, which were needed as a result of the new VFD and replacement boiler installations. No SCADA even existed for operation of the lift stations prior to the project.

On December 18, 2012, the NUA approved Contract No. K-1011-42 in the amount of \$2,305,000 with Oil Capital Electric, LLC (OCE) for construction of the WWTP Energy improvements.

Construction began January 18, 2011, and was substantially complete on April 24, 2013. However, final completion of punch list items, and delivery of the last spare part was not accomplished until December 18, 2013. Such delays with little justification were common throughout the project, which resulted in the excessive time for completion of the work. Liquidated damages for such delays are discussed below.

DISCUSSION: As with any project of this scope, field adjustments and modifications were necessary. The project contract included an allowance for Work Change Directives (WCD) in the amount of \$65,000. Attachment 1 to proposed Final Change Order No. 1 (CO#1) delineates each modification and its respective time and value impact.

The proposed change order will yield a net deduct of \$91,259.51 in the contract amount from \$2,305,000 to \$2,213,740.49, a reduction of about 4% of the original contract amount. Additionally, CO#1 will grant a total time increase of 189 calendar days, 75 for Work Changes, plus 114 for extenuating circumstances affecting OCE's ability to pursue some tasks, primarily due to NUA's need to continually operate the plant. Also, there were utility conflicts, scheduling discrepancies, and other approvable delays. The contract included a provision for liquidated damages in the amount of \$1,000 for each day that the work remained substantially incomplete upon expiration of the contract time. Although the added days do not match the substantial completion date mentioned above, our Legal Department advises that our cost to pursue any additional liquidated damages would exceed any possible gain. With Legal's assistance, staff has successfully negotiated, and recommends approval of, CO#1 with its delay penalty of \$80,000.

RECOMMENDATION: Recommend the NUA approve Change Order No 1 to Contract No. K-1011-42 with Oil Capital Electric, LLC decreasing the contract amount by \$91,259.51 and extending the contract time by 189 calendar days, accept the Wastewater Treatment Plant Energy Improvements Project, and authorize final payment in the amount of \$47,490.50.