



City of Norman, OK

Municipal Building
Council Chambers
201 West Gray
Norman, OK 73069

Master

File Number: K-1617-121 CO#6

File ID: K-1617-121 CO#6

Type: Contract

Status: Consent Item

Version: 1

Reference: Item 17

In Control: City Council

Department: Utilities Department

Cost: \$124,533.36

File Created: 01/19/2021

File Name: Final CO#6 Water Treatment Plant Phase II

Final Action:

Title: CHANGE ORDER NO. SIX TO CONTRACT K-1617-121: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND ENERFAB, INC., SUCCESSOR TO FOLEY COMPANY, INCREASING THE CONTRACT AMOUNT BY \$124,533.36 FOR A REVISED CONTRACT AMOUNT OF \$30,735,496.42, ADDING 364 CALENDAR DAYS TO THE FINAL COMPLETION DATE FOR THE CONTRACT, AND FINAL ACCEPTANCE OF THE PROJECT.

Notes: ACTION NEEDED: Acting as the Norman Utilities Authority, motion to approve or reject Change Order No. Six to Contract K-1617-121 with Enerfab, Inc., successor to Foley Company, increasing the contract amount by \$124,533.36 for a revised contract amount of \$30,735,496.42 and adding 364 calendar to the contract; and, if approved, authorize the execution thereof, accept the project, and direct final payment in the amount of \$371,753.41 to Enerfab, Inc., successor to Foley Company.

ACTION TAKEN: _____

Agenda Date: 01/26/2021

Agenda Number: 17

Attachments: Change Order 6, CO6 Recommendation
Letter_210112.pdf, Final Settlement Agreement,
Exhibit A, Exhibit B, Exhibit C

Project Manager: Chris Mattingly, Director of Utilities

Entered by: chris.mattingly@normanok.gov

Effective Date:

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Council	01/26/2021					

Text of Legislative File K-1617-121 CO#6

Body

BACKGROUND: On May 22, 2012, the Norman Utilities Authority (NUA) approved Contract K-1112-124 with Carollo Engineers, Inc. to perform final design services for the Phase II Water Treatment Plant (WTP) Improvements. An 8-month pilot project was performed as a part of that contract to determine the final design parameters and arrangement of the treatment system. Three process alternatives were studied and it was concluded that ozone should be used to address taste and odor concerns and pharmaceutical/algal toxin reduction while a system employing ultraviolet light would function as the primary disinfectant.

On January 13, 2015, Norman citizens approved a water rate increase with 67% voting in favor of the increase. The rate increase was expected to generate capital of approximately \$49 million, of which \$31 million was to be used for the WTP Phase II Upgrade.

On February 2, 2015, the NUA approved Amendment No. 1 to complete the design, provide construction administration services, and provide full-time on-site construction observation services for the WTP Phase II Upgrade. The design was completed and plans and specifications were submitted to the Oklahoma Department of Environmental Quality (ODEQ) on October 4, 2016. The ODEQ approved the plans and specifications on January 18, 2017. The Phase II WTP improvements include:

- New 17 million gallons per day (MG/D) ozone system;
- Ultraviolet disinfection system;
- On-site hypochlorite solution generation system;
- Intermediate (low lift) pump station;
- Chemical feed equipment and new chemical feed building;
- New maintenance building;
- New administration building and architectural improvements to the existing filter building;
- Rehabilitation of high pressure zone pump station; and
- Associated electrical and control system improvements.

The project is primarily funded by a State Revolving Fund loan administered by ODEQ and dispersed from the Oklahoma Water Resources Board (OWRB). A loan of up to \$31 million from the OWRB was approved by the NUA on January 17, 2017 and the loan closed on January 31, 2017 at an interest rate of 2.81% for a 15-year term.

Bids for the WTP Phase II Improvements were received from three pre-qualified prime contractors on March 23, 2017. Foley Company was overall low bidder in the amount of \$33,309,665 and also low bidder for selected deductive alternate combinations for an anticipated contract amount of \$29,990,165 (base bid less selected alternates). The following bid items were omitted as a cost saving measure:

- Air wash system for filters - \$2,895,000
- Covered parking/PAC Storage at maintenance building (future) - \$56,000
- Door replacement on chemical building (future) - \$42,000
- Replace filter effluent valves #1-4 (future) - \$174,000
- Replace filter effluent valves #5-8 (future) - \$49,000

Chemical trench covers (future) - \$21,000
Replace backwash pump (future) -\$62,000
Omit Operator door with window side light -\$5,500
Omit brick veneer on south side of new Administration Building (in lieu of metal panels) - \$15,000

TOTAL NET DEDUCTION - \$3,319,500

Foley Company began construction of the improvements on May 29, 2017 and the work was scheduled to be complete within 730 calendar days. On June 5, 2018, Change Order No. 1 was approved by the NUA increasing the contract amount by \$207,727.96 and providing a contract time extension of 87 calendar days. On June 11, 2019, Change Order No. 2 was approved by the NUA increasing the contract by \$317,569.30 and providing a contract time extension of 118 calendar days. On April 3, 2020, Change Order No. 3 was approved by the NUA General Manager increasing the contract amount by \$37,487.96 and providing a contract time extension of 4 calendar days. On May 18, 2020, Change Order No. 4 was approved by the NUA General Manager increasing the contract amount by \$37,614.13 and providing a contract time extension of 35 calendar days. On July 7, 2020, Change Order No. 5 was approved by the NUA General Manager increasing the contract amount by \$20,398.71.

Enerfab, Inc. is the successor of Foley Company under the current contract, as a successor firm in a corporate merger (see attached 10/15/2018 letter and Certificate of Corporate Merger).

DISCUSSION: As detailed in proposed Final Change Order No. 6 (CO#6); fifteen (15) Proposed Change Orders (PCOs) have been submitted and approved by Carollo and NUA staff. The PCOs associated with CO#6 total \$124,533.36 which increases the contract approximately 0.4% from \$30,610,963.06 to \$30,735,496.42. To date, the six change orders total \$745,331.42 or 2.49% of the total contract value which is significantly less than the 10% maximum allowed by state statutes.

Each PCO is detailed in attached CO#6; time extensions were also granted for several change order items. Changes are generally required due to unforeseen conditions encountered at the site or to improve the quality of the final work project. Several of the larger change order items are discussed briefly below:

- The largest unforeseen change of \$96,068.85 was from a large leak that began Friday December 13, 2019. Water began flowing into the basement from under the concrete floor and staff had to completely shut down the WTP. The leak occurred at previously abandoned chemical feed locations that had corroded portions of the 36-inch diameter steel filter effluent line that was not intended to be part of project. Due to the urgency to bring the plant back online over the holidays, the repair work was performed at cost of materials and labor plus a 15% overhead and profit as permitted by the terms of the contract. It took 30 days to make temporary repair to the line and restart the WTP.
- The second largest change of \$41,062.29 was for the addition of an acid feed system for pre-treating the water before sending it to the sodium hypochlorite generation system.

Essentially it lowers the pH of the softened water feeding the generation system which prevents calcium and magnesium from forming excessive scale deposits from the electrolysis of the brine. Prior to these improvements, scale was forming in the sodium hypochlorite metering pumps and associated discharge piping, necessitating cleaning at a frequency more intensive than planned.

- The largest deduction was for asphalt paving credit (\$70,568.37). The project was designed to provide asphalt paving for some of the haul roads between the lagoons and, after further discussion with plant staff, the wear and tear from the hauling trucks was a concern for the longevity of the asphalt.

Adequate funds in the amount of \$193,410.22 are available in the Water Treatment Plant Improvement Project, Construction account (Org. 31999939, Object 46101; Project WB0292).

A related companion item is Amendment No. 1 to K-1617-121, which is a separate amendment/addendum and is a Settlement Agreement and Mutual Release between the City of Norman, the Norman Utilities Authority, Carollo Engineers, Inc., and Enerfab, Inc.

Amendment No. 1 to K-1617-121 concerns a requested change order and claim by Enerfab related to delays and associated costs related to the startup and commissioning of the new chlorine and ammonia systems. The Norman Utilities Authority/City of Norman disputed responsibility for the referenced costs associated with this claim. The Settlement Agreement and Release reflects the various parties' agreements with respect to resolution of this claim, including a release of all alleged responsibility of the Norman Utilities Authority for this claim under this contract with Enerfab, Inc., to be resolved commensurately with the final payment on this contract.

RECOMMENDATION: Recommend the NUA approve Final Change Order No. 6 to Contract K-1617-121 in the amount of \$124,533.36 with Enerfab increasing the contract amount from \$30,610,963.06 to \$30,735,496.42 and extending the final completion date by 364 calendar days to January 26, 2021. It is also recommended that the Norman Utilities Authority accept the Water Treatment Plant Phase II Improvements project and authorize final payment and release of retainage in the amount of \$371,753.41 to Enerfab, Inc., contract successor to Foley Company.