



## Legislation Text

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**File #:** K-1617-121 CO1, **Version:** 1

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CHANGE ORDER NO. ONE TO CONTRACT K-1617-121: BY AND BETWEEN THE NORMAN UTILITIES AUTHORITY AND FOLEY COMPANY INCREASING THE CONTRACT AMOUNT BY \$207,727.96 FOR A REVISED CONTRACT AMOUNT OF \$30,197,892.96 AND ADDING 87 CALENDAR DAYS TO THE CONTRACT FOR THE WATER TREATMENT PLANT PHASE II IMPROVEMENTS.

**BACKGROUND:** On May 22, 2012, the Norman Utilities Authority (NUA) approved Contract K-1112-124 to perform final design services for the Phase II Water Treatment Plant (WTP) Improvements with Carollo Engineers, Inc. An 8-month ozone pilot project was performed as a part of that contract to determine the final design parameters and arrangement of the ozone 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 Contract K-1112-124 to Carollo Engineers, Inc. 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 process 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. Proposed 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). The NUA was approved for a loan up to \$31 million by the OWRB on January 17, 2017. The NUA approved the action on January 24, 2017 and closed on the \$31 million loan 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 a revised contract amount of \$29,990,165. On May 9, 2017, the NUA approved award to Foley Company, based from Kansas City, Missouri, in the amount of \$29,990,165.

Foley Company began construction of the improvements on May 29, 2017. The work was originally scheduled to be complete within 730 calendar days. To date, the contractor has been paid \$7,815,387.56 or 26% of the contract amount and 50% of the contract time has been consumed.

**DISCUSSION:** As detailed in proposed Change Order No. 1 (CO#1); several Proposed Change Orders (PCOs) have been submitted and approved by Carollo and staff. The PCOs to date total \$207,727.96 which increases the original

contract 0.69% from \$29,990,165 to \$30,197,892.96. The contract time will also be extended by 87 calendar days to August 24, 2019.

The largest change (\$94,314.92) was needed to replace deteriorated, buried pipes that feed the two oldest clarifiers #1 and #2. These clarifiers were installed in the mid 1960's. During excavation for the construction of replacement clarifiers, it was discovered that the steel pipes leading into and beneath the clarifiers were deteriorated beyond repair. Due to this unforeseen condition, staff and consultant decided to replace several feet of 20-inch corroded metal pipe with high density polyurethane piping which will withstand the corrosive environment and provide many years of additional service. Additionally, it was decided to dilute the chemical feed point which will reduce the corrosiveness in that area. Instrumentation and controls will be installed to blend the Ferric Sulfate before it enters in the clarifier feed pipe.

The second largest change (\$57,352.37) was needed to construct a large retaining wall between clarifier #4 and the new Chemical Building. The groundwater level was higher than anticipated which leads to higher, unforeseen soil pressure and soil loadings.

The third largest change (\$54,357.37) is an NUA-directed change which will allow for better operation and maintenance of the lime equipment housed in the old chemical building. The new layout will add walkways to more readily access the tops of the aging tanks which require daily maintenance.

Adequate funds are available in the Water Treatment Plant Improvement Project, Construction (account 031-9939-462.61 -01; project WA0292).

All other proposed change orders are detailed in attached CO#1. Time extensions were also granted for several proposed change order items.

**RECOMMENDATION:** Recommend the NUA approve Change Order No. 1 in the amount of \$207,727.96 with Foley Company increasing Contract K-1617-121 from \$29,990,165 to \$30,197,892.96 and extending the final completion date by 87 calendar days to August 24, 2019.