

**CITY OF GOODYEAR
COUNCIL ACTION REPORT**

<p>SUBJECT: Approve expenditure of \$115,646.43 for the Wells Fargo Force Main and Litchfield Road Projects Change Order and related budget transfers</p>	<p>STAFF PRESENTER: Todd Carpenter, Wastewater Superintendent and Barbara Chappell, Utility Operations Manager</p> <p>CASE NUMBER: None</p> <p>OTHER PRESENTER: None</p>
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PROPOSED ACTION:

Approve expenditure of funds in the amount of \$115,646.43 for a change order to the Wells Fargo Force Main and Litchfield Road projects and related budget transfers.

BACKGROUND AND PREVIOUS ACTIONS:

The Wells Fargo Force Main and Litchfield Road projects are part of the Integrated Water Master Plan’s five year existing system capital improvement program. The Wells Fargo Force Main project was to design a realignment of the force main. The Litchfield Road project was to replace approximately 300 feet of gravity sewer line. They were combined into one contract to provide efficiencies in project delivery.

In FY2018, Achen-Gardner was contracted to perform the construction services for the projects. The construction contract had a level of contingency that both city staff and the engineer were comfortable with at the time the project began. The as-built plans for the area were provided to the contractor and potholing was performed to gain a better understanding of site conditions.

STAFF ANALYSIS:

In spite of the pre-construction efforts to define site conditions, once construction began, Achen-Gardner began to discover unknown conditions such as utility conflicts, plan elevations discrepancies, and unknown soil conditions. These findings contributed to prolonging the schedule as well as the need for additional traffic control and off-duty officers. As these projects were working in the active sewer system, once construction began, the contractor and the city project management team determined they were unable to stop the work and the City would approve a change order. Once this determination was made the city project management team neglected to immediately process a change order to the contract as required by city procurement rules, estimating that the project contingency would cover the additional costs. A change order was submitted once the entire project was completed and final bill submitted by Achen-Gardner.

Achen-Gardner has provided a detailed summary and supporting documentation of the changes in project site conditions that occurred during the project. Overall these conditions have contributed to increased cost for labor, equipment, and materials beyond the contract amount of \$430,573.78. The delay in submitting a change order is the reason for this after the fact budget

transfer and required authorization of expenditure authority by Council at this time. City project management staff have had all procurement rules regarding the requirement for change orders reviewed with them following this incident to mitigate future issues.

FISCAL ANALYSIS:

Between the two projects, \$130,900 in Wastewater Operating funds remains available as an unbudgeted carryover and is needed to complete the two projects including this contract increase. The total budget for the two projects remains unchanged with the requested budget carryover.

The original contract with Achen-Gardner was for \$430,573.78. With this \$115,646.43 change the contract increased to \$546,220.21 necessitating Council approval of the expenditure as the change order puts the total contract over \$500,000.

RECOMMENDATION:

Staff recommends the approval of an expenditure of the amount of \$115,646.43 (revised contract amount of \$546,220.21) for a change order to the construction services contract and the budget transfers for the unbudgeted carryover of \$130,900.

ATTACHMENTS:

Contract Change Order