



City of Galveston

CAPITAL PROJECTS STAFF REPORT

January 15, 2020

To: Brian Maxwell, City Manager
Hon. Mayor and City Council Members

From: J. Dudley Anderson
Building Program Manager

Re: Consider for approval Change Order #5 to the contract with J. W. Kelso Company, Inc., for the City of Galveston Public Works Facility project, increasing the contract by \$263,426.00 (2.45%) from the amount of \$10,930,716.20 to the amount of \$11,194,142.20, and extending the contract term by 91 days. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. The U.S. Department of Housing and Urban Development approved the State's amended action plan for \$1.7 billion in second round disaster recovery funding associated with Hurricane Ike and Dolly.
- B. The amended state plan allocated \$1.032 billion to the Houston-Galveston Area Council region.
- C. The construction of a new Public Works and Utilities facility was identified as a project to be funded by the CDBG Disaster Recovery Non-Housing Round 2.2 program.
- D. The General Land Office approved LAN, Inc to provide architectural design services for the City of Galveston Public Works Facility project.
- E. J. W. Kelso Company, Inc. was awarded the contract by Council on December 14, 2017 in the amount of \$10,732,495.00.
- F. Change Order 1 was council approved on June 27, 2019 for a **decrease** in contract amount of \$154,050.80 (-1.44%).
- G. Change Order 2 was council approved on August 22, 2019 for an **increase** in contract amount of \$113,528.00 (1.06%).
- H. Change Order 3 was council approved on September 19, 2019 for an **increase** in contract amount of \$29,936.00 (0.28%).
- I. Change Order 4 was council approved on November 14, 2019 for an **increase** in contract amount of \$208,800.00 (1.95%).
- J. The cumulative change in construction cost through Change Order #4 is 1.85%





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II. Current Situation

- A. The project is approximately 75% complete and will be completed in the first quarter of 2020.
- B. Departments will be scheduled to move in shortly thereafter.
- C. The City of Galveston has occupied the warehouse portion of the project.
- D. There are 7 items identified and recommended by City staff in this change order.
 - a. Item 1 – Provide automatic gate operators as per RFI 069.
 - b. Item 2 – Provide epoxy mortar at warehouse instead of standard mortar.
 - c. Item 3 – Increase General Conditions for extended project duration.
 - d. Item 4 – Provide shelving protection barriers in warehouse for new shelving from forklift traffic.
 - e. Item 5 – Provide lumber storage racks in warehouse.
 - f. Item 6 – Provide wire mesh enclosures in warehouse to protect the fire suppression system equipment and tele/data equipment.
 - g. Item 7 – Provide additional tele/data equipment required to operate the facility.
- E. The net **increase** of this change order is \$263,426.00.
- F. The cumulative change in construction cost is 4.30% including Change Order #5.
- G. The cost of construction changes is funded by CDBG Round 2.2.
- H. The change includes an additional 91 days. Contract end date will then be March 31, 2020.
- I. LAN has recommended approval of this request.

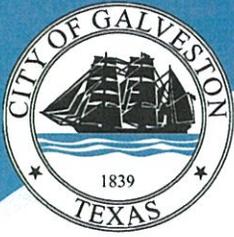
III. Alternatives in order of priority

- A. Approve Change Order #5 to the contract with J. W. Kelso Company, Inc., for the City of Galveston Public Works Facility project, increasing the contract by \$263,426.00 (2.45%) from the amount of \$10,930,716.20 to the amount of \$11,194,142.20, and extending the contract term by 91 days.
- B. Do not approve the change order.

IV. Recommendation

Approve Change Order #5 to the contract with J. W. Kelso Company, Inc., for the City of Galveston Public Works Facility project, increasing the contract by \$263,426.00 (2.45%) from the amount of \$10,930,716.20 to the amount of \$11,194,142.20, and extending the contract term by 91 days.





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V. Fiscal Impact Report

Requested by:	J. Dudley Anderson Building Program Manager
Funding Source:	CDBG DR Non-Housing Round 2.2
Construction Cost	\$11,194,142.20 (increase of \$263,426.00)
<u>Construction Administration</u>	<u>\$ 191,597.00</u>
Total Cost of Implementation	\$ 11,385,739.20

Respectfully Submitted,

J. Dudley Anderson
Building Program Manager





Texas General Land Office Disaster Recovery

Construction Contract Change Order Request Form

Engineer: Lockwood, Andrews & Newnam 2925 Briarpark Drive, Suite 400 Houston, TX 77042 Phone No.: 713-266-6900	Owner (Contractor Locality): City of Galveston 823 Rosenberg Galveston, TX 77553 Phone No.: 409-797-3500	Contractor: J.W. Kelso Company Inc. 7225 Harborside Drive Galveston, TX 77553 Agreement Date: 12/14/2017 Phone No.: 409-740-0266
Date: 1/09/2020 Project Code No.: Bid Package No.:	Contract For (Project Description): Construction of the City of Galveston Public Works Facility	GLO Contract No.: 15-081-000-8748 Change Order No.: 05

You are hereby requested to comply with the following changes from the contract plans and specifications:

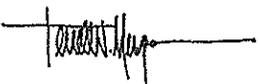
Item No.	Description of Changes: Quantities, Units, Unit Prices, Change in Completion Scheduled, Etc.	Decrease in Contract Price	Increase in Contract Price
CO5-1	CP 28R: Provide automatic gate operators per response to RFI 069.		\$13,175.00
CO5-2	CP 29: Material cost increase for revised epoxy mortar specification.		\$2,918.00
CO5-3	CP 30: Increase to General Conditions to accommodate contract time extension.		\$99,243.00
CO5-4	CP 31: Provide guardrails and bollards to protect warehouse shelving units from damage.		\$14,021.00

CO5-5	CP 32: Provide lumber storage racks in warehouse.		\$11,062.00
CO5-6	CP 33: Provide wire cages to protect warehouse equipment from damage.		\$7,665.00
CO5-7	CP 34R: Revisions to fiber optic infrastructure and additional technology/networking equipment.		\$115,342.00
	Totals		\$263,426.00

<u>Change in Contract Price</u>	<u>Change in Contract Time (Calendar Days)</u>
Original Contract Price: \$10,732,495.00	Original Contract Time: 576 days
Previous Change Order(s): No. 01 to No. 04 \$198,221.20	Net Change From Previous Change Orders: 116 days
Contract Price Prior to this Change Order: \$10,930,716.20	Contract Time Prior to this Change Order: 692 days
Net Increase/Decrease of this Change Order: \$263,426.00	Net Increase/Decrease of this Change Order: 91 days
Contract Price With all Approved Change Orders: \$11,194,142.20	Contract Time With all Change Orders: 783 days
Cumulative Percent Change in Contract Price (+/-): +4.30%	Grantee Contract End Date: (mm/dd/yy) 12/31/2020
Construction Contract Start Date: (mm/dd/yy) 02/07/2018	Construction Contract End Date: (mm/dd/yy) 3/31/2020

Reimbursements of costs included in this change order are subject to review by the GLO-DR program.
 * This document may be executed prior to submission for GLO-DR program review, but all parties involved will be held responsible if the change order or the amendment warranted as a result of this change order is not in compliance with CDBG or HUD requirements.

RECOMMENDED:

By: 

ENGINEER

Lockwood, Andrews & Newnam, Inc.

Date: 01/09/2020

APPROVED:

By: _____

OWNER

City of Galveston

Date: _____

ACCEPTED:

By: 

CONTRACTOR

J.W. Kelso Company, Inc.

Date: 1-13-2020

JUSTIFICATION FOR CHANGE

1. Will this Change Order increase or decrease the number of beneficiaries?	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input checked="" type="checkbox"/> No Change
If there is a change, how many beneficiaries will be affected?	Total _____ L/M _____		
2. Effect of this change on scope of work:	<input checked="" type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input type="checkbox"/> No Change
3. Effect on operation and maintenance costs:	<input type="checkbox"/> Increase	<input type="checkbox"/> Decrease	<input checked="" type="checkbox"/> No Change
4. Are all prices in the change order dependent upon unit prices found in the original bid?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "No", explain: Cost proposals applicable to this change order were prepared from competitive subcontractor/supplier quotes contained in the attached supporting documents.			
5. Has this change created new circumstances or environmental conditions which may affect the project's impact, such as concealed or unexpected conditions discovered during actual construction?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If "Yes", is an Environmental Re-assessment required?			
6. Is the Texas Commission on Environmental Quality (TCEQ) clearance still valid? (if applicable)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
7. Is the TCEQ permit approval still valid? (sewer projects only) N/A	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
8. Are the handicapped access requirements/approval still valid? (if applicable)	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
9. Are other Disaster Recovery contractual special condition clearance still valid?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
(If no, specify):			

NOTE:

* Generally, a cumulative change in the contract price in excess of 25% cannot be reviewed (18% **decrease** for counties).



**Lockwood, Andrews
& Newnam, Inc.**

A LEO A DALY COMPANY

January 9, 2020

RE: City of Galveston Public Works Facility
LAN Project No. 170-10839-000
Change Order No. 5 Recommendations

Mr. Dudley Anderson, Building Program Manager
City of Galveston
823 Rosenberg Street Room 205
Galveston, Texas 77550

Dear Mr. Anderson:

LAN has reviewed each of the Change Order No. 5 cost proposals for additional scope items requested. Our findings are itemized below:

Item No. CO5-1, J.W. Kelso Cost Proposal 28R:

The original bid documents did not include a specification for motorized control units to operate the four vehicle access gates at the public works facility. LAN provided a specification pursuant to Request for Information 069. In addition, the City of Galveston requested the gate operator devices to be installed so as to minimize the likelihood of damage by stormwater. J.W. Kelso issued a cost proposal on November 25, 2019 in the amount of \$13,175.00 to supply and install the specified control units. LAN has reviewed the cost proposal and finds that the cost is reasonable and recommends acceptance of this proposal.

Item No. CO5-2, J.W. Kelso Cost Proposal 29:

The originally specified epoxy pointing mortar for the concrete masonry was found to be unsuitable for the project. LAN furnished a revised specification, for which J.W. Kelso issued a cost proposal on November 25, 2019 in the amount of \$2,918.00 for the revised material specification. LAN has reviewed the cost proposal and finds that the cost is reasonable. LAN has reviewed a mockup of the installation on site and finds it to be acceptable. LAN recommends acceptance of this proposal.

Item No. CO5-3, J.W. Kelso Cost Proposal 30:

The construction completion date is being extended due to unforeseen weather delays. The General Contractor is entitled to additional compensation in accordance with the contract documents for general conditions to accommodate this time extension. J.W. Kelso submitted a cost proposal dated November 25, 2019 in the amount of \$99,243.00 for labor, material, equipment, insurance and bonds as required. LAN has reviewed the proposal and finds the cost to be reasonable and recommends acceptance of this proposal.

Item No. CO5-4, J.W. Kelso Cost Proposal 31:

The industrial storage racks installed in the Public Works Warehouse require protective devices to prevent/minimize the potential for damage from forklift or other equipment traffic. J.W. Kelso issued a cost proposal on November 25, 2019 in the amount of \$14,021.00 to furnish and install steel guards and bollards as necessary. LAN has reviewed the cost proposal and finds that the cost is reasonable and recommends acceptance of this proposal.

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Item No. CO5-5, J.W. Kelso Cost Proposal 32:

The Public Works Warehouse requires storage racks for lumber materials used in the normal course of operations. J.W. Kelso issued a cost proposal on November 25, 2019 in the amount of \$11,062.00 to supply and install two lumber storage racks. LAN has reviewed the cost proposal and finds that the cost is reasonable. LAN recommends acceptance of this cost proposal.

Item No. CO5-6, J.W. Kelso Cost Proposal 33:

In the Public Works Warehouse, there is a fire sprinkler riser, a network equipment rack and an operator station, all of which are susceptible to inadvertent damage from normal traffic operations. J.W. Kelso issued a cost proposal on November 25, 2019 in the amount of \$7,665.00 for the fabrication and installation of protective wire mesh partitions. LAN has reviewed the cost proposal and has determined that the cost is reasonable. LAN recommends acceptance of this cost proposal.

Item No. CO5-7, J.W. Kelso Cost Proposal 34R:

Through coordination with the City of Galveston, J.W. Kelso and LAN, revisions to the fiber network and associated infrastructure as well as additional technology and network equipment have been identified for a complete facility installation. J.W. Kelso issued a cost proposal on January 9, 2020 in the amount of \$115,342.00 to supply and install the required infrastructure and equipment. LAN has determined that the cost proposal is reasonable and recommends acceptance.

The above representations are made with the best knowledge and information available as of this date.

Regards,

A handwritten signature in blue ink, appearing to read "Terre N. Musgrove", with a long horizontal line extending to the right.

Terre Musgrove, AIA
Program Manager