



# 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 approval of Change Order #1 to the contract with Preload, LLC, for the New 7.5 MG Ground Storage Tank at 59th Street project increasing the contract by \$125,044.32 from the amount of \$5,374,800.00 to the amount of \$5,499,844.32 (2.3% increase to the original contract), and extending the contract term by 110 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 allocates \$1.032 billion to the Houston-Galveston Area Council region.
- C. The construction of a new 7.5 million gallon (MG) ground storage tank (GST) at the 59<sup>th</sup> Street Pump Station complex 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 Dannenbaum Engineering Corporation to provide engineering design services for the New 7.5 MG Ground Storage Tank at 59th Street project.
- E. A contract for construction was executed with Preload, LLC for construction of the New 7.5 MG Ground Storage Tank at 59th Street October 4, 2018.

### **II. Current Situation**

- A. Construction of the new Ground Storage Tank is 91% complete. There are several items (driveway extension, sidewalk, and lighting) included in this change order that will enhance future operations and security at the site.
- B. Dannenbaum Engineering (design engineer) has recommended approval of this request.





# City of Galveston

## CAPITAL PROJECTS STAFF REPORT

### III. Issues

The work of this change order is necessary to achieve the originally intended outcome of the project.

### IV. Alternatives in order of priority

- A. Approve Change Order #1 to the contract with Preload, LLC, for the New 7.5 MG Ground Storage Tank at 59th Street project increasing the contract by \$125,044.32 from the amount of \$5,374,800.00 to the amount of \$5,499,844.32 (2.3% increase to the original contract), and extending the contract term by 110 days.
- B. Do not approve the contract.

### V. Recommendation

Approve Change Order #1 to the contract with Preload, LLC, for the New 7.5 MG Ground Storage Tank at 59th Street project increasing the contract by \$125,044.32 from the amount of \$5,374,800.00 to the amount of \$5,499,844.32 (2.3% increase to the original contract), and extending the contract term by 110 days.

### VI. Fiscal Impact Report

Requested by:	J. Dudley Anderson Building Program Manager
Funding Source:	CDBG DR Non-Housing Round 2.2
Construction Cost	\$5,499,844.32 (increase of \$125,044.32)
<u>Construction Administration</u>	<u>\$ 366,824.00</u>
Total Cost of Implementation	\$ 5,866,668.32

Respectfully Submitted,

J. Dudley Anderson  
Building Program Manager





# Texas General Land Office Disaster Recovery

## Construction Contract Change Order Request Form

<b>Engineer:</b> Dannenbaum Engineering 3100 West Alabama Houston, Texas 77098  Phone No.: 713.520.9570	<b>Owner (Contractor Locality):</b> City of Galveston 823 Rosenberg Galveston, Texas 77550  Phone No.: 409.797.3630	<b>Contractor:</b> Preload, LLC 4000 Tower Road Louisville, KY 40219  Phone No.: 631-231-8100 Agreement Date: 10/04/2018
Date: 01/08/2020 Project Code No.: P21560-1a Bid Package No.: 177247_BID3	<b>Contract For (Project Description):</b>  New 7.5 MG GST at 59 <sup>th</sup> Street	GLO Contract No.: 15-081-000-8748/DRS220051  Change Order No.: 1

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
CO1-1	Contract Time Extension (110 days)		
CO1-2	GLO Dedication Plaque		\$ 4,087.00
CO1-3	Coating Substitution	\$100,000.00	
CO1-4	Additional Scope (Driveway extension, sidewalk & lighting)		\$220,957.32
	<b>Total</b>	<b>\$100,000.00</b>	<b>\$225,044.32</b>
	<b>Grand Total</b>		<b>\$125,044.32</b>

<u>Change in Contract Price</u>		<u>Change in Contract Time (Calendar Days)</u>	
Original Contract Price:	\$5,374,800.00	Original Contract Time:	395 days
Previous Change Order(s): No. 1 to No. 1	\$ 0.00	Net Change From Previous Change Orders:	0 days
Contract Price Prior to this Change Order:	\$5,374,800.00	Contract Time Prior to this Change Order:	395 days
Net Increase/Decrease of this Change Order:	\$ 125,044.32	Net Increase/Decrease of this Change Order:	170 days
Contract Price With all Approved Change Orders:	\$5,499,844.32	Contract Time With all Change Orders:	425 days
Cumulative Percent Change in Contract Price (+/-): +2.3%		Grantee Contract End Date: (mm/dd/yy)	12 / 31 / 20
Construction Contract Start Date: (mm/dd/yy)	10 / 18 / 18	Construction Contract End Date: (mm/dd/yy)	05 / 05 / 20

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: Tyson Arnold

DANNENBAUM ENGINEERING

Date: 01/08/2020

APPROVED:

By: \_\_\_\_\_

CITY OF GALVESTON

Date: \_\_\_\_\_

ACCEPTED:

By: [Signature]

PRELOAD, LLC

Date: 1/15/2020

**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: The contract is unit price; however, the item covering this work is a Lump Sum. The pricing provided is competitive.			
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"/> N/A
7. Is the TCEQ permit approval still valid? (sewer projects only)			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> N/A
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).

January 8, 2020

Ms. Trina Jankowski  
City of Galveston  
823 Rosenberg, Room 205  
Galveston, TX 77553

**RE: City of Galveston  
New 7.5 MG GST at 59<sup>th</sup> Street  
Change Order No. 1 Recommendation**

Dear Ms. Jankowski,

Change Order No. 1 consists of multiple Proposed Change Orders (PCO's) and a time extension request.

A time extension to the contract duration is necessary due to various delays to construction activities caused by weather. Dannenbaum feels the time extension is justified, and therefore recommends approval of a change order to increase the contract duration by 110 calendar days due to weather. Dannenbaum's recommendation is not to be construed as justification or support for future indirect costs as a result of the delays.

PCO No. 3 is a credit to the contract due to a coating substitution at the contractor's request. The request results in a credit of \$100,000.00 and no change to the contract duration. Dannenbaum feels the request is justified, and therefore recommends approval of the request.

PCO No. 5 is a request for additional money to procure and install the GLO dedication plaque. The request is for \$4,087.00 and no additional time. Dannenbaum feels the request is justified, and therefore recommends approval of a change order for the additional money.

PCO No. 6 is a request for additional time and money for scope added to the contract at the request of the City of Galveston to improve safety and access to the site facilities. The scope includes additional site paving, a sidewalk and light poles with associated power cabling. The request is for \$220,957.32 and 60 additional calendar days. Dannenbaum feels the request is justified, and therefore recommends approval of a change order for the additional time and money.

In summary, Change Order No. 1 includes PCO No. 3, 5 and 6 and a request for additional time. The associated work is necessary to achieve the originally intended outcome of this Project. Dannenbaum feels the associated costs are competitive and therefore recommends approval of this Change Order in the amount of \$125,044.32, for the new Construction Contract total of \$5,499,844.32 which is a 2.3% increase. The new Construction Contract End Date is May 5, 2020.

Please don't hesitate to contact me with any questions or comments at 713-527-6325.

Sincerely,



Tyson Arnold, PE  
Associate – Public Works Department  
Dannenbaum Engineering Corporation

CC: Jimmy Hamilton – City of Galveston  
Tim Halloran – Preload, LLC  
Kristin Johnson, Preload, LLC

Attachments: Change Order No. 1  
PCO No. 3 – Coating Substitution  
PCO No. 5 – GLO Dedication Plaque  
PCO No. 6 – Miscellaneous Site Improvements