



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 of Change Order No. 3 to the contract with LEM Construction Co., Inc., for the Airport Wastewater Treatment Plant Improvements project, increasing the contract by \$129,633.20 from the amount of \$7,073,677.09 to a new total amount of \$7,203,310.29. Authorizing the City Manager to execute all necessary documents upon final approval by the City Attorney.

I. Background

- A. Hurricane Ike caused substantial damage to the Airport Wastewater Treatment Plant located at 7816 Mustang Drive in Galveston. Approximately 8 feet of water from the hurricane submerged much of the property and destroyed pumps, switches and control rooms throughout the plant.
- B. FEMA approved a Project Worksheet in the amount of \$1,185,785 to help the City restore the plant to its original function.
- C. The facility, though operating, has continued to deteriorate since the hurricane struck in September 2008. City officials determined that Community Development Block Grant disaster recovery funds would be needed to supplement the FEMA funding. City Council agreed in November 2015 to dedicate \$4,908,567 in CDBG-DR funds Disaster Recovery Non-Housing Round 2.2 for this purpose.
- D. The General Land Office approved LAN, Inc. to provide engineering design services for the Airport Wastewater Treatment Plant Improvements project, with the City contracting with LAN, Inc. for the FEMA portion of the project.
- E. The City Council subsequently awarded a contract with LEM Construction Co., Inc. in the amount of \$6,792,200.00 on May 24, 2018 for the construction of this project.
- F. Change Order #01 and 02 increased the contract amount 281,477.09.

II. Current Situation

- A. The project is approximately 97% complete and is scheduled to be complete in February 2020.
- B. The net increase of this change order is \$129,633.20.
- C. There are 7 items identified and recommended by City staff in this change order.
 - a. Item 249 - provides for the removal of dirt from the project site. (reduction in previous estimate)
 - b. Item 250 – provides for removal of certain underground piping from the site. (reduction in previous estimate)
 - c. Item 254 – provides for reuse of a 36” influent line rather than replacement with a new 18” line. (reduction in previous estimate)
 - d. Item 321 – provides for cleanup of lift station after station overflows.





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- e. Item 322 - provides for cleanup required from rains after tropical storm Imelda of 58 CY grit
- f. Item 323 p provides for a 10" RAS plug valve.
- g. Item 324 Provides for replacement of deteriorated electric cable tray covers.
- D. LAN has recommended approval of this request.

III. Alternatives in order of priority

- A. Approve Change Order No. 3 to the contract with LEM Construction Co., Inc., for the Airport Wastewater Treatment Plant Improvements project, increasing the contract by \$129,633.20 from the amount of \$7,073,677.09 to a new total amount of \$7,203,310.29.
- B. Do not approve the request.

IV. Recommendation

Approve Change Order No. 3 to the contract with LEM Construction Co., Inc., for the Airport Wastewater Treatment Plant Improvements project, increasing the contract by \$129,633.20 from the amount of \$7,073,677.09 to a new total amount of \$7,203,310.29.

VI. Fiscal Impact Report

Requested by: J. Dudley Anderson
Building Program Manager

Funding Source:	FEMA Project Worksheet 14803 (SW-159)
	Construction \$ 835,712.70 (capped)
	Administration \$ 21,365.00
	CDBG DR Non-Housing Round 2.2
	Construction \$ 5,319,677.29 (\$129,633.20 increase)
	Administration \$ 222,327.00
	Sewer Bonds
	Construction \$ 1,047,920.30
	Administration \$ 20,960.00
Total Cost of Implementation	\$ 7,467,961.79

Respectfully Submitted,

J. Dudley Anderson
Building Program Manager





Texas General Land Office Disaster Recovery

Construction Contract Change Order Request Form

Engineer: Lockwood, Andrews & Newnam, Inc. 2925 Briarpark Drive, Ste 400 Houston, Texas 77042 Phone No.: 713-266-6900	Owner (Contractor Locality): City of Galveston P.O. Box 779 823 Rosenberg, Rm 205 Galveston, Texas 77553 Phone No.: 409-797-3630	Contractor: LEM Construction Co, Inc. 10849 Kinghurst, Suite 150 Houston, TX 77099 Phone No.: 281-495-9550 Agreement Date: 6/20/2018
Date: 01/13/2020 Project Code No.: P21561A-1b Bid Package No.: 9748-1_BID1	Contract For (Project Description): Airport Wastewater Treatment Plant Improvements	GLO Contract No.: Change Order No.: 3

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
249	Dirt Disposal	\$5,000.00	
250	Underground Piping Demo	\$8,000.00	
254	Leave 36-inch influent line instead of replacing with 18-inch	\$6,612.47	
321	Lift Station cleanup after two existing lift station overflows		\$5,484.50
322	Imelda cleanup including 58 CY of grit removal & basin clean out		\$12,049.41
323	Provide & install 2 – 10-inch RAS plug valves		\$13,491.08
324	Replace WWTP cable tray top and bottom covers with new fiberglass covers		\$118,220.68

<u>Change in Contract Price</u>	<u>Change in Contract Time (Calendar Days)</u>
Original Contract Price: \$6,792,200.00	Original Contract Time: 570 days
Previous Change Order(s): No. 1 to No. 2 \$281,477.09	Net Change from Previous Change Orders: (37) days
Contract Price Prior to this Change Order: \$7,073,677.09	Contract Time Prior to this Change Order: 533 days
Net Increase/Decrease of this Change Order: \$129,633.20	Net Increase/Decrease of this Change Order: 98 days
Contract Price With all Approved Change Orders: \$7,203,310.29	Contract Time With all Change Orders: 631 days
Cumulative Percent Change in Contract Price (+/-): +6.05 %	Grantee Contract End Date: (mm/dd/yy) 12 / 31 / 2020
Construction Contract Start Date: (mm/dd/yy) 7/13/2018	Construction Contract End Date: (mm/dd/yy) 04/4/2020

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: William E. Schlafer
ENGINEER

William E. Schlafer, P.E.

Date: 1/12/2020

APPROVED:

By: _____
OWNER

Daniel J. Buckley

Date: _____

ACCEPTED:

By: Steve W. Castle
CONTRACTOR

Steve Castle

Date: 1/12/2020

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: Item 249, 250, and 254 are existing unit price items from the contract. The contractor provided proposals for Item Numbers 322, 323 and 324. These item costs were evaluated and found to be competitive compared to similar work items on comparable type projects.			
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)	<input checked="" 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.**

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January 12, 2020

Mr. Dudley Anderson
Building Program Manager
City of Galveston
Public Works Department
823 Rosenberg
Galveston, Texas 77550

Reference: Recommendation Letter – Change Order #03
Airport Wastewater Treatment Plant Improvements Project
City of Galveston, Texas

Dear Dudley:

Attached is Change Order #03 from LEM Construction Company, Inc. for the City of Galveston (City) Airport Wastewater Treatment Plant (WWTP) Improvements Project. The proposed changes increase construction cost \$129,633.20 and does not impact the contract time.

Lockwood, Andrews & Newnam, Inc. (LAN) has reviewed the change order and recommends the City approve this request. If you have any questions or need additional information, please contact us.

Sincerely,

A handwritten signature in blue ink that reads "William E. Schlafel".

William E. (Bill) Schlafel, P.E.
Senior Project Manager

Attachment

Cc: Trina Jankowski, City of Galveston