



**Request for City Council Committee Action
From the Department of Public Works**

Date: September 27, 2011

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: **Increase Graham Construction Services Contract for Dewatering Plant Improvements**

Recommendation:

Authorize execution of amendment to contract with Graham Construction Services increasing the contract by \$576,785.00 for Change Order #1 for a total contract price of \$19,796,785.00, and extending the time period until completion. The amount is within the project budget (07400-9010950-Project CWTR22) and no additional appropriation is required.

Previous Directives:

- August 28, 2009: City Council accepted \$2 million of "principal forgiveness" funds from the American Recovery and Reinvestment Act of 2009 (ARRA), and a series of recommendations to approve the appropriation for and funding of the project.
- August 28, 2009: City Council accepted the low bid of Graham Construction Services, Inc for an estimated expenditure of \$19,220,000 for construction of the dewatering plant improvements.

Prepared by: Dale A. Folen, P.E., Senior Professional Engineer, Public Works - Water x4908

Approved by:

Steven A. Kotke, P.E., City Engineer, Director of Public Works

Presenters: Dale A. Folen, Water Treatment and Distribution Services

Reviews

Permanent Review Committee (PRC):	Approval ___	Date _____
Civil Rights Approval	Approval ___	Date _____
Policy Review Group (PRG):	Approval ___	Date _____

Financial Impact

No financial impact

Background/Supporting Information

The Public Works Capital Improvement Plan has included construction of an upgrade of the Dewatering Plant for several years.

The Dewatering Plant treats minerals from the existing softening plant, which treats water from the Mississippi River. The softening plant is the first treatment step to prepare drinking water for the City of Minneapolis and its suburban customers. In the softening plant, minerals such as calcium and magnesium, along with river sediment, form solids that are removed and hauled to agricultural fields as a soil improver. The minerals drawn from the bottom of softening tanks is 99 percent water. The Dewatering Plant serves the role of removing water from the mineral solids so that trucking is more efficient.

The new equipment in the Dewatering Plant (filter press technology) captures the solids more effectively than the 40 year old centrifuges, and will yield significant savings in hauling costs and electrical power use. Environmental benefits of the reduced hauling include less diesel fuel burned and a related reduction in carbon dioxide emissions.

The project has been funded by the American Recovery and Reinvestment Act of 2009 (ARRA) with \$2,000,000.00 (base project) and \$1,040,092.00 "Green Reserve" funds, as "principal forgiveness" (like a grant) funding. The remaining project costs are being financed by a low interest note (loan) through the Drinking Water Revolving Fund and the ARRA.

The Filter Presses began operation in September 2011. The Contractor is currently working on punch-list work and final clean-up.

Change Order #1 includes 60 specific items of changes or project clarifications. The following list summarizes the largest of the changes:

- Piping modifications to coordinate with the existing facility and the successful bidder for the filter press equipment manufacturer.
- Clarification of exterior architectural details.
- Valve and Instrumentation modifications.
- Structural modifications to coordinate with actual equipment dimensions.
- Ventilation duct modifications to coordinate with the structure.
- Various design changes found post-design phase, since the design was "fast tracked" to gain ARRA funds.
- Manufacturer changes to comply with the Buy American rules in the ARRA.
- Reduced cost for reduced landscaping and paving (post-design optimization).
- Reduced cost for foundation structure change due to unforeseen soil conditions.
- Reduced cost for a modified construction method for buried pipelines.

The total cost of Change Order #1 is \$576,785.00, which amounts to about 3.0 percent of the original bid price. This is within the initially budgeted contingency funds for the construction. The project engineering consultants have reviewed the detailed costs for every change, and have recommended acceptance.

A future Request for City Council Committee Action is anticipated for a second amendment to the General Contractor's agreement to cover additional changes. Those cost changes are still under review and negotiations.

CC: Bruce Gritters, Assistant Director, Purchasing
Pamela Fernandez, Contract Management