



CITY COUNCIL AGENDA ITEM

Date: January 17, 2012

To: John Szerlag, City Manager

From: Mark F. Miller, Director of Economic and Community Development
Steven J. Vandette, City Engineer

Subject: Addendum No. 1: Contract 10-1 -- Section 35 Water Main Replacement

Background

Bricco Excavating Company, LLC was awarded the Section 35 Water Main Replacement contract in July 2010 by Resolution No. 2010-07-164-J-4c for a total estimated cost of \$1,549,084.50. The project provided for a 10% contingency which is standard for City water main projects.

Due to very dry underground soil conditions and conflicts encountered with existing sewer service leads, the method of construction for some of the water main was switched from directional drilling to the traditional "open cut" method on 3 of 8 streets within the project. Directional drilling was chosen for this project because it was occurring in an older, established subdivision with many large trees along both sides of the streets. Directional drilling is a method of construction that allows the water main to be pushed through the ground between relatively small access holes. This method, compared with traditional continuous open cut construction, dramatically reduces damage to driveways, lawns and trees and significantly reduces inconvenience to residents. The open cut construction was used on Kenyon, Sheffield and Wacon streets because the dry, compact soil conditions and sewer conflicts made the directional drilling process extremely difficult and unreasonably time consuming. While the open cut method permitted the construction to proceed quicker, it did entail more restoration of driveways, sidewalks and lawn areas.

Since it is not practical or cost effective to stop construction for days or weeks until a change order can be processed for minor increases in contract quantities, construction continues until final completion of the project. If the contract contingency is sufficient to cover added costs, as is usually the case, final payment to the contractor is made and the project is closed out. If, as in this case, the project cost exceeds the contract contingency, City Council approval is required prior to making the final payment to the contractor and closing out the contract, which is scheduled for this spring following final completion of all remaining landscape restoration.

The amount exceeding the 10% contingency on the water main portion of the project is an estimated \$147,000.00 or 9.5%. Overall, the project has three components; water main, curb and driveway replacements and asphalt road repair. The total contract amount for these components is \$2,541,260.50. The estimated contingency amount utilized for the project is \$224,073.23 or 8.8% of the project, which is within the 10% contingency that was set for the overall project.

Recommendation

It is recommended that City Council approve Addendum No. 1 in the estimated amount of \$147,000.00 for the Section 35 Water Main Replacement project to Bricco Excavating Company, LLC, 21201 Meyers Road, Oak Park, MI 48237.



CITY COUNCIL AGENDA ITEM

Fund Availability

Funds for this work are included in the 2009/10 Water Fund. The budgeted amount includes funds for construction, inspection and contingencies.

Legal Considerations

N/A

G:\Contracts\Contracts - 2010\10-1 - Section 35 Water Main Replacement\Correspondence\Council_Agenda_Over 10%R1.doc