



ST. CHARLES
SINCE 1834

AGENDA ITEM EXECUTIVE SUMMARY

Title:	Recommendation to Approve Change Order for Wells 3 & 4 Radium Removal Project Construction Engineering and Budget Addition for Costs
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Presenter:	John Lamb
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Please check appropriate box:

	Government Operations	X	Government Services 04.23.12
	Planning & Development		City Council
	Public Hearing		

Estimated Cost:	\$60,000	Budgeted:	YES		NO	
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If NO, please explain how item will be funded:

Additional fees are eligible for reimbursement with the IEPA Loan for the project.

Executive Summary:

Due to construction delays with the radium removal project EEI, the consulting engineer, has requested a contract amendment and additional construction engineering fees in the amount of \$60,000 on a time and materials basis. This amount is for services from November 2011 to April 30, 2012 the projected date of completion. The original contract was for a construction period of twelve months. There have been two Council approved time extensions of 21 and 11 days.

However, the contractor, EVS, has been slow to complete the punch list items. City staff and EEI have met and corresponded with EVS on several occasions prompting them to complete and finalize punch list items and complete the project. It now appears they will be completed by April 30.

The City requires EEI's services through the completion of the project due to the review of punch list items. Staff has contacted IEPA and the additional fees are eligible for reimbursement with the IEPA low interest loan. The Contract Amendment, Change Order will be submitted to the IEPA once it is signed by both parties.

Attachments: *(please list)*

Change Order #3, Contract Amendment, Resolution for Engineering Enterprises, Inc.

Recommendation / Suggested Action *(briefly explain):*

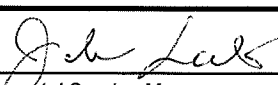
Staff recommends approval of EEI Contract Amendment and a Resolution authorizing the Mayor and Clerk to execute Change Order #6 in the amount of \$60,000 on behalf of the City of St. Charles.

For office use only:

Agenda Item Number: 5.r

City of St. Charles Public Works Environmental Services Office

CHANGE ORDER	
PROJECT: Wells 3 & 4 Radium Removal	NO. <u>3</u> DATE: <u>4/11/2012</u>
CONTRACTOR: Engineering Enterprises Inc. CONTRACT FOR: Construction engineering for radium removal project.	BY: John Lamb
You are directed to make the following changes:	
DESCRIPTION:	
PURPOSE OF CHANGE: Request by Engineering Enterprises, Inc. for additional fees for construction engineering due to time extension on project. Amount based on estimated time and material basis for period of November 2011 - May 2012.	
ATTACHMENTS: Engineer Contract Modification Requests and St. Charles reply.	
CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
Original Contract price: <u>\$ 598,750.00</u>	Original Contract deadline: n/a
Previous Change Orders: <u>\$ 114,583.00</u>	Previous Change Orders:
Contract Price prior to this Change Order: <u>\$ 713,333.00</u>	Contract deadline prior to this Change Order: n/a
Net Increase (Decrease) of this Change Order: <u>\$ 60,000.00</u>	Net Increase (Decrease) of this Change Order: n/a
Contract price with all approved Change Order: <u>\$ 773,333.00</u>	Contract deadline with all approved Change Order: n/a

RECOMMENDED:

 Environmental Service Manager Date: 4/11/12

APPROVED:

 Finance Director Date

 Contractor Date

It is determined that the circumstances necessitating this change order were not foreseeable at the time the original contract was signed, the change order is germane to the original contract as signed, and the change order is in the best interest of the City and authorized by law.



Engineering Enterprises, Inc.

April 11, 2012

Mr. John Lamb
Environmental Services Manager
City of St. Charles
2 E. Main Street
St. Charles, Illinois 60174

**Re: *Contract Amendment Request for
Wells No. 3 & 4 Radium Removal Project
City of St. Charles, Kane and DuPage Cos., IL***

Dear Mr. Lamb:

As you may recall, the current construction contract completion deadline for the general contractor, EVS, for the Wells No. 3 & 4 Radium Removal Project is August 6, 2011. At this point, EVS is over eight months beyond their contract completion date. In addition, the timeframe for construction is well in excess of the projected construction timeframe within our professional services agreement with the City for this project.

Our original agreement for this project was finalized on August 26, 2009. The original agreement established our fees for construction engineering services for a 12-month construction period. In October of last year, when the project clearly was past the August 6, 2011 deadline, we requested an amendment to our construction phase engineering fees to cover our costs for the estimated remaining time period. At that time, the contractor was estimating contract completion in November of 2011. The City Council approved our request. As of the date of this letter, the contractor still has not completed construction. However, the contractor only has a few remaining administrative items that need to be taken care of for contract completion. Based on the remaining items they need to complete, we are estimating the contractor will achieve construction completion within the next month.

We have done our best to contain our costs on the original lump sum contract, as well as the previous construction phase engineering amendment, but our construction engineering fees within our agreement cannot support the extended construction timeframe. Our previous amendment covered our fees through November, but the project is more than four months beyond that last amendment timeframe. Based on the amount of fees we have expended over these past four months, along with a small amount of fees to cover the remaining work items, we respectfully request another amendment to our contract in the amount of \$60,000. We propose to complete this work on a not to exceed time and material basis.

Given the fact that the contractor will end the project over their contract completion deadline, it is our understanding the City will be seeking liquidated damages for their late completion. As you are well aware, the construction contract with EVS establishes the City's ability to collect up to \$1,710 per day for each day construction continues after the construction contract completion date. In nearly all cases,

Mr. John Lamb
April 11, 2012
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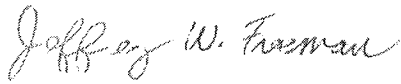
the assignment of liquidated damages is not as straight forward as applying the contract defined value for each day. Since it is unclear what level of discussion and analysis will ensue relative to the liquidated damages review, we can only establish an overall estimate for our time at this point.

We appreciate the partnership we have developed with the City of St. Charles on this project. We are confident the City will be pleased with the end product. Thank you for your consideration of this contract amendment request.

If you have any questions or require any additional information please do not hesitate to contact me.

Respectfully Submitted,

ENGINEERING ENTERPRISES, INC.



Jeffrey W. Freeman, P.E., CFM, LEED AP
Vice President

JWF/drm

pc: Mark Koenen, P.E. – Director of Public Works
Richard Gallas – Assistant Director of Public Works
PGW, TPF, DMT – EEI

City of St. Charles, Illinois
Resolution No. _____

**A Resolution Authorizing the Director of Finance of Execute Change
Order No. 3 for the Wells 3 & 4 Radium Removal Project for Engineering
Enterprises, Inc.**

**Presented & Passed by the
City Council on _____**

WHEREAS, by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois, a home rule municipality in the exercise of its home rule powers, that the Director of Finance is authorized to execute Change Order No. 3 in favor of Engineering Enterprise, Inc. (EEI), in the amount of \$60,000 with respect to additional fees for construction engineering due to time extension on project. Amount is based on estimated time and material basis for period of November 2011 – May 2012 in regard to the Wells 3 & 4 Radium Removal project contract entered into on or about July 6, 2009, a copy of said change order being attached hereto and made a part of this Resolution. It is determined that the circumstances necessitating this change order were not foreseeable at the time the original contract was signed, the change order is germane to the original contract as signed, and the change order is in the best interest of the City and authorized by law.

WHEREAS, that the City Clerk of the City of St. Charles is hereby directed to forward a certified copy of the Resolution to Engineering Enterprises, Inc.; with a copy to the Director of Public Works.

NOW THEREFORE, be it resolved by the Mayor and City Council of the City of St. Charles, Kane and DuPage Counties, Illinois,...

PRESENTED to the City Council of the City of St. Charles, Illinois, this _____
day of _____ 2012.

PASSED by the City Council of the City of St. Charles, Illinois, this _____ day of
_____ 2012.

APPROVED by the Mayor of the City of St. Charles, Illinois, this _____ day of
_____ 2012.

Donald P. DeWitte, Mayor

ATTEST:

Resolution No. _____

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City Clerk

COUNCIL VOTE:

Ayes:

Nays:

Absent:

Abstain: