

CITY OF COOS BAY CITY COUNCIL

Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
August 1, 2017	11.

TO: Mayor Benetti and City Councilors

FROM: Jim Hossley, Public Works and Community Development Director

THROUGH: Rodger Craddock, City Manager

ISSUE: Consideration of Approval to Increase the Contingency Budget for North 2nd Street Sanitary Replacement Project by Public Works & Community Development Director Jim Hossley

SUMMARY:

On July 5, 2017, Council approved the award of contract to Benny Hempstead Excavating Inc for the N. 2nd Street Sanitary Sewer Replacement Project. Construction commenced Tuesday, July 25th. On Wednesday, it was discovered that an incorrect elevation was surveyed on the plans. The engineer (Civil West) and City Staff worked together and Civil West revised the plans. Unfortunately, the work that was performed on the first day must be removed and replaced at the correct slope. This has caused an immediate change order. At the authoring of this staff report, the change order has been estimated to be approximately \$10,000. The original contingency that was approved by Council is for a total of \$11,588. Because this change order occurred at the commencement of the project, staff has concerns that, should another unknown condition occur, the original approved contingency has the potential to be exceeded. As a result, staff is requesting an additional \$8,412 which would increase the contingency budget to \$20,000 which is approximately 26% of the original bid.

ACTION REQUESTED:

Approve the increase in the contingency budget for the N. 2nd Street Sanitary Sewer Replacement Project to an amount not to exceed of \$20,000.

BACKGROUND:

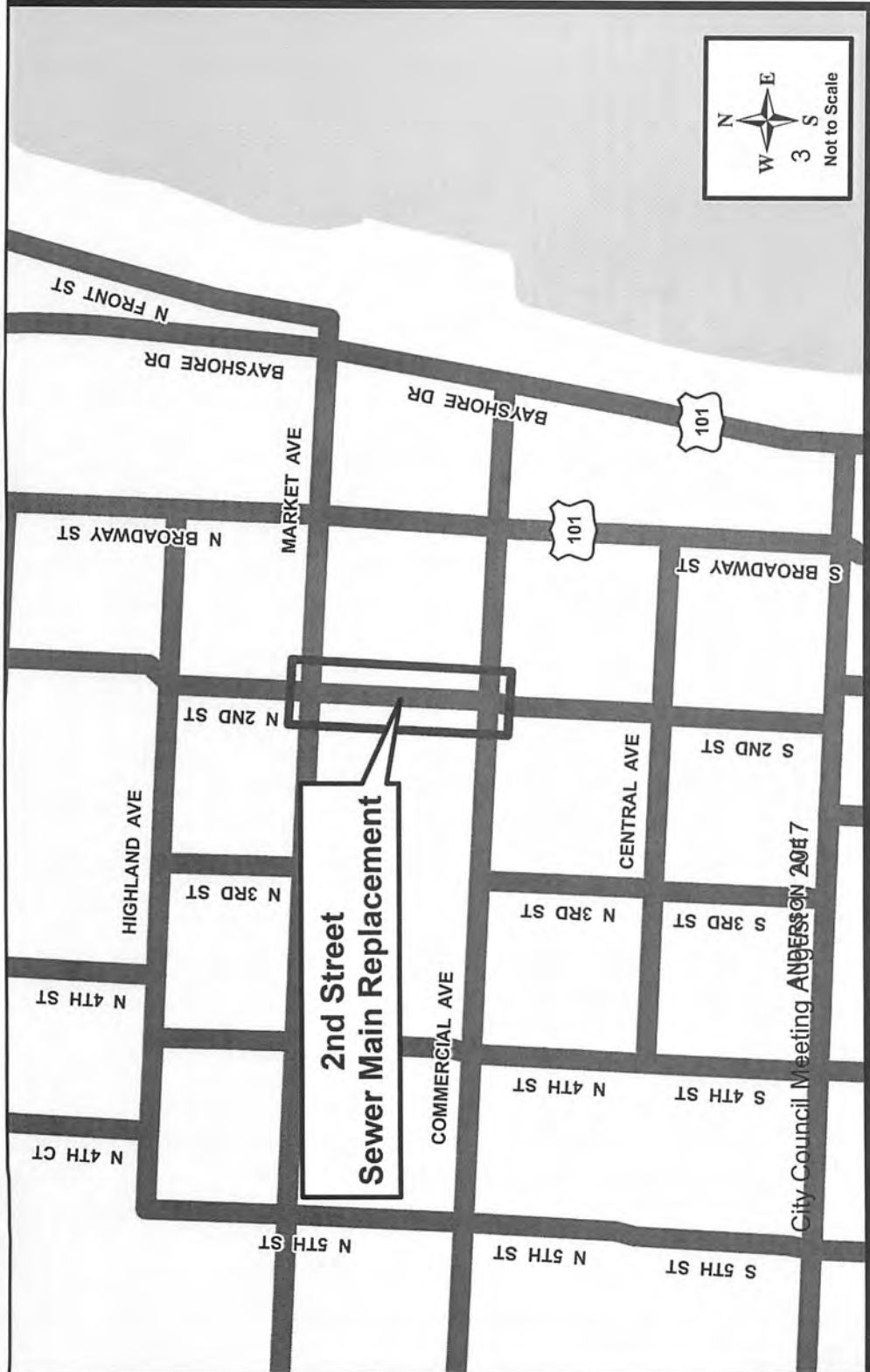
On July 5, 2017, Council approved the award of contract to Benny Hempstead Excavating Inc. for the N. 2nd Street Sanitary Sewer Replacement Project. Construction commenced Tuesday, July 25th. On Wednesday, it was discovered that there was an incorrect invert elevation at the downstream manhole on the plans. The engineer and City Staff worked together and a revised plan was provided to the contractor in an effort to proceed forward and to reduce further delays. There is disagreement between the consultant, contractor and City

staff regarding responsibility for the additional cost. In an effort to keep the project moving forward, staff will continue to work with both the engineer and the contractor to resolve this issue but at the authoring of this staff report, the change order has been estimated to be approximately \$10,000. The original contingency that was approved by Council is for a total of \$11,588. Because this change order occurred at the commencement of the project and because it is unclear who will bear the responsibility of this change order, staff has concerns that should another unknown condition occur, the original approved contingency has the potential to be exceeded. As a result, staff is requesting an additional \$8,412 which would increase the contingency budget to \$20,000 which is approximately 26% of the original bid.

BUDGET IMPLICATIONS:

This project is identified on the 20-year takedown list and the 5-year Capital Improvement Project (CIP) plan. The project is funded through the Infrastructure Finance Authority (IFA) Loan Number 2 (Fund 29-810-530-3019). Staff has spoken to IFA project manager and she is aware of this situation and has approved the additional funds for this project if needed.

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**2nd Street
Sewer Main Replacement**

City Council Meeting August 2017