



**Change order
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 16
AGENDA DATE: Thu 10/21/2004
PAGE: 1 of 3**

SUBJECT: Authorize execution of change order # 12 to the construction contract with HAEGELIN CONSTRUCTION COMPANY, INC., Austin, TX, for the Eubank Acres Service to Annexed Area #2000 Water and Wastewater Improvements Project B, for the addition of french drains, change in pavement repair strategy, and contingency for latent defects, in the amount of \$160,877.75, for a total contract amount not to exceed \$1,208,521.55.

AMOUNT & SOURCE OF FUNDING: Funding in the amount of \$160,877.75 is available in the Fiscal Year 2004-2005 Capital Budget of the Austin Water Utility.

FISCAL NOTE: A fiscal note is attached.

REQUESTING Public Works
DEPARTMENT: for Austin Water Utility;

**DIRECTOR'S
AUTHORIZATION:** Sondra Creighton

FOR MORE INFORMATION CONTACT: Susan Janek, P.E., 974-7291; Mike Boyle, P.E., 972-0252; Laura Bohl, 974-7064

PRIOR COUNCIL ACTION: 02/13/2003 -- RCA Resolution to Basswood Group, L.P.

BOARD AND COMMISSION ACTION: No recommendation by Water and Wastewater Commission.

PURCHASING: N/A

MBE / WBE: N/A

The purpose of this annexation service Project is to provide water and wastewater improvements to the portion of the Eubank Acres subdivision, generally bounded by Walnut Creek, Indianhead Drive, Caddo Lane, and North Lamar Boulevard.

On February 13, 2003, City Council authorized the execution of the original Construction Contract for Project B with the Basswood Group, L.P. in the amount of \$2,098,750.00 plus a 10% contingency for a total authorization amount of \$2,308,625.00. During the Project nine change orders were processed (using contract contingency) in the amount of \$80,205.39.

On May 14, 2004, Basswood Group, L.P. abandoned the Project and on May 25, 2004, the City terminated the services of Basswood and made demand on the Surety to complete the Project.

On August 12, 2004, Tender, Completion, and Release Agreement "Agreement" was executed by City, Surety, and the new Completion Contractor - Haegelin Construction Company, Ltd.

The Agreement includes a payment by the Surety for \$463,796.21 to complete the Contract with 75 calendar days to substantial completion. Final paving and restoration will take an additional 75 calendar days from the date of Substantial Completion. Weather and any latent defects (from Basswood's work) or unforeseen conditions may affect the actual construction schedule. The payment by the Surety plus the remaining contract balance of \$524,848.84 provides for a total Completion Contract amount of \$988,645.05

During the original construction project, Basswood excessively damaged areas outside of the trench pavement width and, the extensive patching and final pavement overlay could take until the spring of 2005, a period of almost



**Change order
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 16
AGENDA DATE: Thu 10/21/2004
PAGE: 2 of 3**

two years from the start of construction.

This request for additional change order authorization will provide the necessary funding to provide full width overlay for approximately one quarter of the Project area in place of seal coat.

This authorization will also provide funding for the repair of driveways damaged by the Original Contractor, which must be repaired. The City will submit a claim against Basswood's liability insurance company to recoup these funds.

Additionally, the groundwater flow has caused undermining of the newly installed backfill and pavement in various areas throughout the Subdivision. Two French drains must be installed in two areas in the Subdivision to allow the groundwater to collect in defined drainage areas. The annexation plan for this Project did not include drainage improvements. However, this is the most cost effective method to ensure water is directed away from newly installed water and wastewater improvements, and the restored pavement.

Finally, this request for council authorization will allow for a contingency amount of \$50,000 for the expeditious processing of potential change orders to latent defects in work performed by Basswood. As provided in the Agreement, if, due to insolvency, the Surety fails to pay the Completion Contractor within 30 days of completion and receipt of invoice for correction of defective Work or is unable to otherwise fund the cost of such Work, the City may pay the reasonable cost of such Work performed by the Completion Contractor. In this case the City will attempt to recoup any payments from the Surety through legal means.

The Change Order items described above for \$110,877.75 and the \$50,000 contingency total \$160,877.75. Total authorization for the Completion Contractor – Haegelin Construction Company, which includes Change Order No.10 and No. 11 (included under the Original Contract Administrative Contingency), results in a total Council authorization in a not to exceed amount of \$1,208,521.55.

AGREEMENT HISTORY

DATE	CO	DESCRIPTION	AMOUNT	CO%	TOTAL
02/13/03	N/A	Awarded Contract with Basswood Group, L.P.	\$2,098,750.00	N/A	N/A
Administrative Contingency	1	Pretrenching and pipe installation broken out independent bid items. (CO dated 05/05/03)	\$ 0.00	0.00%	0.00%
Administrative Contingency	2	Extension of bore for archeological mitigation. (CO dated 08/28/03)	\$ 25,999.08	1.24%	1.24%
Administrative Contingency	3	Removal of tree debris from storm, water line relocation for utility conflict, addition of time for bore pit excavation for archeological mitigation (CO dated 10/08/03)	\$ 20,437.40	0.97%	2.21%
Administrative Contingency	4	Modification to Permanent Restoration on Slope between 301 Cedarbrook Court and Rennalee Loop Wastewater Easement. (CO dated 11/05/03)	(\$ 877.50)	(0.04%)	2.17%



**Change order
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 16
AGENDA DATE: Thu 10/21/2004
PAGE: 3 of 3**

Administrative Contingency	5	Cleanup at 301 Cedarbrook Court from storm. (CO dated 12/04/03)	\$ 3,044.28	0.15%	2.32%
Administrative Contingency	6	Addition of concrete traffic barriers around bore pit, chain link fencing around bore pits, new tap for tie in to existing manhole. (CO dated 01/06/04)	\$ 7,441.31	0.35%	2.67%
Administrative Contingency	7	Reconciliation of pay depths for 8" wastewater line installation. (CO dated 02/05/04)	\$ 12,357.50	0.59%	3.26%
Administrative Contingency	8	Reconciliation of pay depths for 8" wastewater line installation. (CO dated 03/08/04)	\$ 4,768.50	0.23%	3.49%
Administrative Contingency	9	Reconciliation of pay depths for 8" wastewater line installation, additional traffic control for additional contract time, addition of concrete traffic barriers around bore pit. (CO dated 05/17/04)	\$ 7,034.82	0.34%	3.83%
Takeover Contract	N/A	Tender, Completion, and Release Agreement signed between City of Austin, Surety, and Completion Contractor – Haegelin Construction Company, Ltd. (Executed on August 12, 2004)	\$988,645.05	N/A	N/A
Administrative Contingency	10	Extension of bore at 11711 N. Lamar, addition of fire hydrants to existing lines. (Currently being negotiated with Completion Contractor Haegelin Construction Company, Ltd.)	\$ 68,443.00	3.26%	7.09%
Administrative Contingency	11	Addition of a portion of the full width overlay (with cost participation from Street & Bridge Division) (CO dated 9/30/04)	\$40,555.75	1.93%	9.02%
Proposed	12	Addition of full width overlay in place of seal coat in approximately one quarter of the project area, addition of French drain in two areas in the neighborhood, and driveway repair not included in Tender Agreement.	\$110,877.75	5.28%	14.30%
Proposed	N/A	Contingency for latent defect repair in case Surety is unable to pay for repairs.	\$50,000.00	2.38%	16.68%

Total Anticipated Contract Amount with Haegelin Construction Co.: \$1,208,521.55

Total Anticipated Construction Amount: \$2,912,628.10

Subcontractor participation stated in the original approved compliance plan was 4.18% African American (MB); 16.43% Hispanic (MH); 1.68% Native/Asian American (MA), 4.80% WBE. Due to the time-critical negotiation with the Surety for this Project, Haegelin Construction does not have compliance goals; however, Haegelin Construction is attempting to use small and minority firms for all new subcontracting opportunities.

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

10/21/2004
Resolution
Austin Water Utility

DESCRIPTION:

Authorize execution of change order # 12 to the construction contract with HAEGELIN CONSTRUCTION COMPANY, INC., Austin, TX for the Eubank Acres Service to Annexed Area #2000 Water and Wastewater Improvements Project B, for the addition of french drains, change in pavement repair strategy, and contingency for latent defects, in the amount of \$160,877.75, for a total contract amount not to exceed \$1,208,521.55.

FINANCIAL INFORMATION:

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2004-05 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 410,907,293.00
Unencumbered Balance	122,743,072.71 *
Amount of This Action	<u>(135,918.75)</u>
Remaining Balance	<u>\$ 122,607,153.96</u>
 Current Available Balance	 \$ 134,772,636.77
Less Outstanding Commitments	<u>(12,029,564.06)</u>
Estimated Unencumbered Balance	<u>\$ 122,743,072.71 *</u>

Utility Finance: _____



David Anders, Utilities Finance Manager

Date: _____

10/6/04

REF # 4570 237 8878

CIP FISCAL NOTE

DATE OF COUNCIL CONSIDERATION:
WHERE ON AGENDA:
DEPARTMENT:

10/21/2004
Resolution
Austin Water Utility

DESCRIPTION:

Authorize execution of change order # 12 to the construction contract with HAEGELIN CONSTRUCTION COMPANY, INC., Austin, TX for the Eubank Acres Service to Annexed Area #2000 Water and Wastewater Improvements Project B, for the addition of french drains, change in pavement repair strategy, and contingency for latent defects, in the amount of \$160,877.75, for a total contract amount not to exceed \$1,208,521.55.

FINANCIAL INFORMATION:

Parent Project Name:	Wastewater Unfunded Future
Project Authorization:	2004-05 Approved Capital Budget
Funding Source:	Commercial Paper
Number:	4570 237 2017

Current Appropriation	\$ 410,907,293.00
Unencumbered Balance	122,768,031.71 *
Amount of This Action	<u>(24,959.00)</u>
Remaining Balance	<u>\$ 122,743,072.71</u>
 Current Available Balance	 \$ 134,772,636.77
Less Outstanding Commitments	<u>(12,004,605.06)</u>
Estimated Unencumbered Balance	<u>\$ 122,768,031.71 *</u>

Utility Finance: _____

David Anders, Utilities Finance Manager

Date: 10/6/04

REF # 4570 237 8877

No.100604-C

AUTHORIZE EXECUTION OF CHANGE ORDER #12 TO THE CONSTRUCTION CONTRACT WITH HAEGELIN CONSTRUCTION COMPANY, INC. FOR THE EUBANK ACRES SERVICE TO ANNEXED AREA #2000 WATER AND WASTEWATER IMPROVEMENTS PROJECT B, FOR THE ADDITION OF FRENCH DRAINS, CHANGE IN PAVEMENT REPAIR STRATEGY, AND CONTINGENCY FOR LATENT DEFECTS IN THE AMOUNT OF \$160,877.75 FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$1,208,521.55

WATER AND WASTEWATER COMMISSION RESOLUTION

OCTOBER 6, 2004

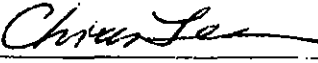
REGULAR MEETING

VOTE: 4-1-0-4

Motion made by: Lee
Commissioners Consenting: Warner, Chan, Friesse
Commissioners Dissenting: Raun
Commissioners Abstaining:
Commissioners Absent: Kirfman, Miller, Pool, Coleman

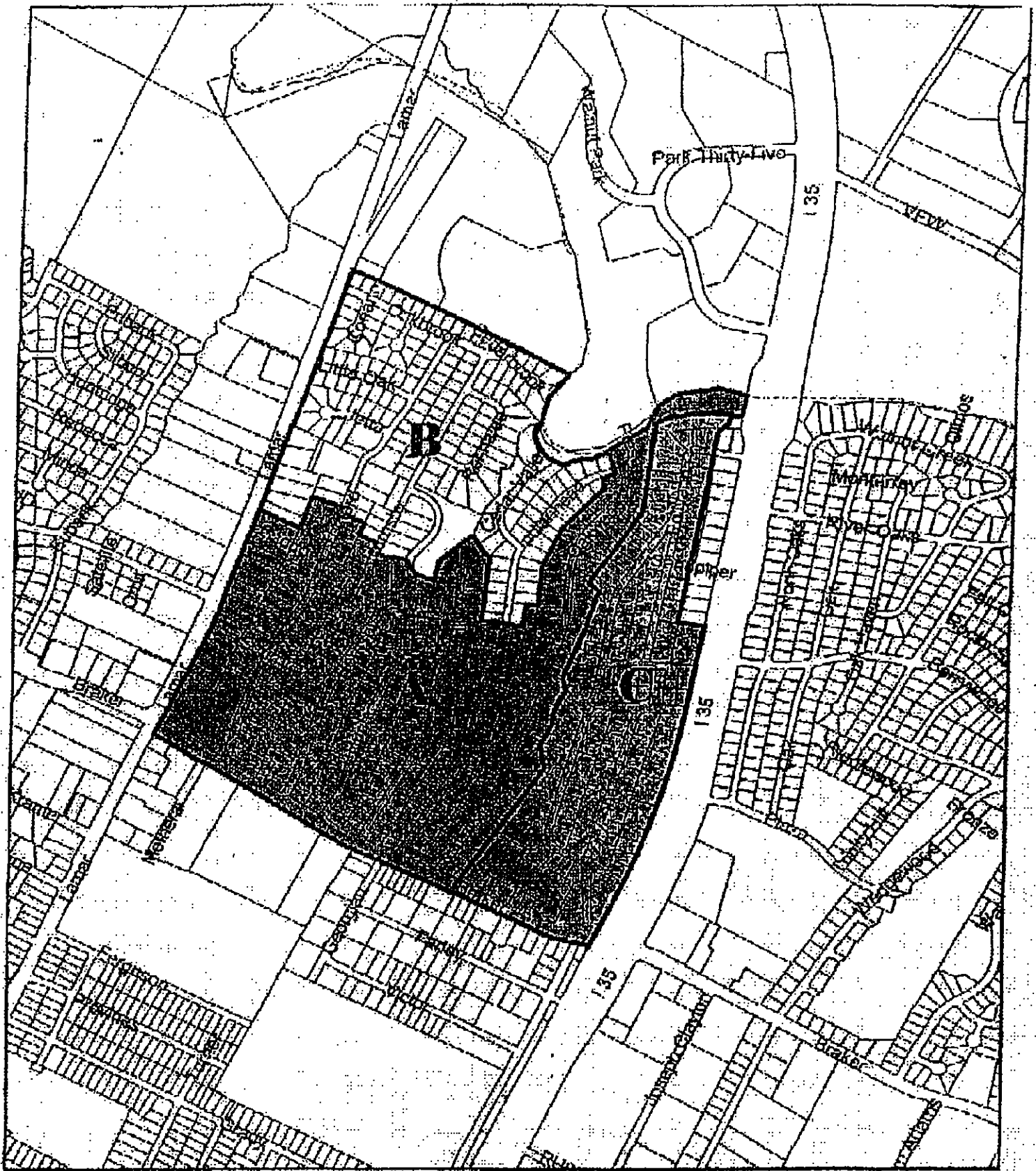
The Water and Wastewater Commission recommends the Council authorize execution of Change Order #12 to the construction contract with Haegelin Construction Company, Inc. , for the Eubank Acres Service to Annexed Area #2000 Water and Wastewater Improvements Project B, for the addition of French drains, change in pavement repair strategy, and contingency for Latent Defects in the amount of \$160,877.75 for a total contract amount not to exceed \$1,208,521.55.



Commissioner Raun Dissented on this item. Commissioner believes that work should be performed by the original contractor at no cost.



Michael Warner Chairperson
Water and Wastewater Commission

10-6-04
Date



 Creeks
 Eubank Acres Project Area

11111 0 1000 Feet

Eubank Acres