
MEMORANDUM

TO: STEVE GIESBRECHT, BOROUGH MANAGER
FROM: KARL HAGERMAN, PUBLIC WORKS DIRECTOR
SUBJECT: LANDFILL SLOPE STABILIZATION – CHANGE ORDER #1
DATE: 1/29/2014
CC: JODY TOW, FINANCE DIRECTOR

Public works is seeking the approval of Change Order #1 to the Landfill Slope Stabilization project. This change order will document the approval of the construction of the shot rock containment berm that was built by Rock N Road in order to contain the North Harbor dredge spoils that were too fluid to retain on the slopes of the landfill.

A proposal for this additional work was requested from Rock N Road in September of 2013 as RFP #2 in the project files. The proposal was accepted by the Manager, who had received consensus from the Assembly members, to build the rock berm and avoid any delays in the North Harbor dredging schedule. A Notice to Proceed was given to the Contractor and the berm was constructed using mostly oversized shot rock from the Borough's quarry.

At this time, the Contractor is seeking payment for the work approved on the rock berm construction. This change order will finalize the approval of the work and the cost proposal and therefore allow the Borough to make payment to the Contractor for the work that has been completed.

The total increase to the project is \$112,967.94. This cost is broken out as a mobilization charge of \$4425.00 and payment for hauling and placing 9,222 cubic yards of shot rock at \$11.77 per yard. The project fund will support this change without overrunning the available fund balance.

The change order also amends the final completion date to allow the Contractor time to finish the project this spring and hydro-seed the slopes. The new final completion date is June 1, 2014.

Public Works and PND Engineers recommend approval of Change Order #1 to the Landfill Slope Stabilization project in the amount of \$112,697.94. Attached to this memo is a copy of the change order form as produced by PND Engineers, along with all the backup associated with RFP #2.

I am also in the process of negotiating another change to the contract that will turn the project into a lump sum agreement. This will lock in a price for completion of the contract and mitigate risks on both sides of the contractual relationship. The fluid character of the dredge spoils changed the project substantially and it has taken some work on the part of the Borough, the Engineer and the Contractor to get back on track to the original intent and to ensure that the Borough gets the product that it set out to receive at the landfill. With the unanticipated and difficult nature of the spoils, a lump sum contract, based upon final project performance criteria, will be more cost effective than taking a risk that the desired project outcome may overrun the budget if unit prices for equipment operating time are retained as the payment basis for completion. This change will be forwarded to the Manager and Assembly as negotiations with the Contractor are completed.

Please let me know if there are any questions.