



Memorandum

12-09-16

To: Steve Giesbrecht, Borough Manager

CC: Karl Hagerman, Public Works Director

From: Chris Cotta, Assistant Public Works Director

Re: Pump Station 1 and Force Main Upgrade, Phase II – Change Order No. 2

The referenced project is the second phase of upgrades related to the relocation of one of the Borough's wastewater force mains. The first phase of this project was accomplished in 2015, when the new force main was installed under S. Nordic, and related gravity sewer improvements were partially completed. This work was done by the Alaska Department of Transportation via reimbursable services agreement with the Borough. In 2016, Phase II replaced some additional gravity sewer pipe, rehabilitated pump stations 1 & 2, and activated the new force main. Both phases of the project were successful and the new force main and refurbished pump stations are in service and working well.

The Phase II project was awarded to CBC Construction by the Borough Assembly on March 21, 2016, in the amount of \$574,000. Work on the project commenced on April 12, beginning with gravity sewer replacement between Sing Lee Alley and Lumber Street on Nordic Drive. Some additional gravity sewer work that had to be done added some cost to the project, which was formalized by Change Order No. 1 in the amount of \$66,130, which was approved by the Borough Assembly in May of 2016. After the gravity sewer work was complete, work on the pump stations commenced. During construction, several issues arose that required additional work to be performed by the contractor. These issues are detailed in the attached Change Order No. 2, which totals \$38,730.60. CBC originally requested \$47,832.50 to cover the extra work, however through negotiations with CBC the Borough was able to reduce this amount by a little over \$9,000.

Due to the nature of this project being largely underground work, the project budget had been provided with contingency funding (detailed below) in an amount appropriate to cover the inevitable surprises encountered when excavating 40-year-old infrastructure. The total contingency funding set aside for Phase II was \$114,800. Deducting \$66,130 for previously approved Change Order 1 leaves \$48,670. Allowing \$38,730.60 for Change Order 2 (if approved) leaves a remainder of \$9,439.40 in contingency funding that will not be needed, since the project is substantially complete at this time. Although we don't like having to spend most of our contingency funding on any given project, in this case it was needed due to the number of unexpected issues that arose. All project funding is being provided by ADEC in the form of a grant (which covers 70%) and a loan (which covers

Public Works Department

PO Box 329, Petersburg, AK 99833 – Phone (907) 772-4430 Fax (907) 772-4102

www.petersburgak.gov

the remaining 30%). No grant or loan increases will be needed in order to fund this change order request, and the overall project budget also remains unchanged.

If you are in agreement with Change Order No. 2 as described above, please forward it to the Borough Assembly for consideration at their next regular meeting on December 19, 2016. I'll be present at the meeting to answer any questions that may arise in regards to the need for this additional work. Thank you.

Attachment: Change Order No. 2 (2 pages)