

FINANCIAL IMPACT STATEMENT For Council Action Items

INITIATOR'S SUMMARY OF COUNCIL ACTION (Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator Thomas Gilman	2. Telephone No. (503) 823-7964	3. Bureau/Office/Dept. Water Bureau / Public Safety
4a. To be filed (date) October 28, 2010	4b. Calendar (Check One) Regular <input type="checkbox"/> Consent <input checked="" type="checkbox"/> 4/5ths <input type="checkbox"/>	5. Date Submitted to FPD Budget Analyst: October 28, 2010

1) Legislation Title: Amend contract with Shearer & Associates, Inc. to increase compensation, decrease the performance period, and increase the scope of work for the Burlingame Tanks Improvements Project (Ordinance; amend Contract No. 30000960)

2) Purpose of the Proposed Legislation: To approve a change order in the amount of \$199,270.60. The project requires additional work. The additional work and contract changes are as follows:

- Add \$11,167.00 of additional compensation due to a 16 calendar day delay in obtaining the structural permit.
- Add \$2,212.02 of additional compensation for replacing the grout at the base of Tank 4 as directed by Construction Change Directive (CCD) 002, 002.1, and 002.2.
- Add \$1,568.68 of additional compensation for replacing the grout at the base of Tank 3 as directed by CCD 004.
- Add \$130,796.78 of additional compensation and 30 calendar days in contract time for replacing the upper 4' of the shell of Tank 3 as directed by CCD 003.
- Add \$2,289.20 of additional compensation for installing interior ladders with extensions inside all three tanks as directed by CCD 005.
- Add \$1,076.79 of additional compensation for installing expansion fittings on the new electrical conduits crossing the catwalks between the tanks as directed by CCD 007.
- Add \$5,182.21 of additional compensation for the additional electrical conduit required due to changing the location of the hatch on Tank 4.
- Add \$5,652.00 of additional compensation for removing the coal tar lining on the interior of the uppermost 8' tall existing shell plate of Tank 3 as directed by CCD 006.
- Add \$605.00 of additional compensation for labor and materials required to handle water that entered Tank 3 due to a faulty inlet valve.
- Add \$1,830.92 of additional compensation for special services required to vacuum out the blast media inside Tank 3 that was saturated with water due to the faulty inlet valve.
- Add \$235.00 of additional compensation for installing longer bolts and nuts on the handholes shown in Detail 2 on Plan Sheet 4.
- Add \$1,215.00 of additional compensation for welding the interior platform of tank 3 onto the domed roof support structure to obtain redundancy to the stainless steel bolts holding up the platform.
- A not to exceed amount of \$46,000.00 is included as additional compensation to support changes that are anticipated for work on the third tank, which has not yet commenced and for any changes which cannot be predicted prior to draining and entering the tank. Compensation for work under Article 13 of the Change Order shall be on the Force Account basis per Section 00197 of the 2007 City of Portland Standard Construction Specifications (SCS) and shall only be authorized when the Owner's Representative issues a Construction Change Directive in accordance with SCS Section 00140.60.
- Subtract \$2,990.00 in compensation due to reduced cathodic protection materials as a result of accepted changes to the anode configuration in Tanks 2 and 3.
- Subtract \$7,570.00 in compensation and 67 calendar days in contract time for the contract change made by CCD 003 allowing work during the peak summer demand period.

3) Revenue:

Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If new revenue is generated, please identify the source.

No

4) Expense:

What are the costs to the City as a result of this legislation? What is the source of funding for the expense? (Please include costs in the current fiscal year as well as costs in future years.) (If the action is related to a grant or contract, please include the local contribution or match required.)

The contract will be amended to increase the contract by \$199,270.60 and decrease the contract time by 37 calendar days. The new contract total will be \$1,209,313.90. Funding is available in the FY 2010-11 Budget.

Staffing Requirements:

5) Will any positions be created, eliminated or re-classified in the current year as a result of this legislation? (If new positions are created, please include whether they will be part-time, full-time, limited-term or permanent positions. If the position is limited-term, please indicate the end of the term.)

No

6) Will positions be created or eliminated in future years as a result of this legislation?

No

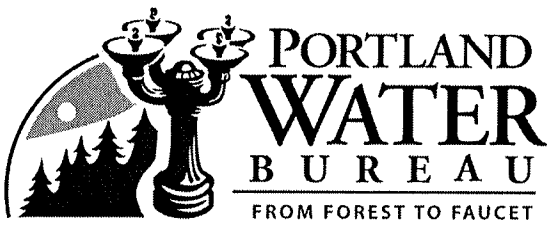
COMPLETE THE FOLLOWING SECTION ONLY IF AN AMENDMENT TO THE BUDGET IS PROPOSED.

7) Change in Appropriations: (If the accompanying ordinance amends the budget, please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new cost element needs to be created. Use additional space if needed.)

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Amount

David G. Shaff, Administrator

APPROPRIATION UNIT HEAD



Randy Leonard, Commissioner
David G. Shaff, Administrator

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Portland, Oregon 97204-1926
Information: 503-823-7404
www.portlandonline.com/water

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An Equal Opportunity Employer

DATE: October 20, 2010
TO: Commissioner Randy Leonard
FROM: David G. Shaff, Administrator
RE: Amend contract with Shearer & Associates, Inc. to increase compensation, decrease the performance period, and increase the scope of work for the Burlingame Tanks Improvements Project (Ordinance; amend Contract No. 30000960)

1. **INTENDED THURSDAY FILING DATE:** October 28, 2010
2. **REQUESTED COUNCIL AGENDA DATE:** November 3, 2010
3. **CONTACT NAME AND NUMBER:** Thomas Gilman, (503) 823-7964
4. **PLACE ON:** ☒ **CONSENT** ☐ **REGULAR**
5. **BUDGET IMPACT STATEMENT ATTACHED:** ☒ **Y** ☐ **N** ☐ **N/A**
6. **TWO (2) ORIGINAL COPIES OF CONTRACTS APPROVED AS TO FORM BY CITY ATTORNEY**
ATTACHED: ☒ **Yes** ☐ **No** ☐ **N/A**

7. BACKGROUND/ANALYSIS:

The original project was to repaint the exterior of three water storage tanks, repaint the interior of the three tanks above the existing coal-tar lining, and replace the roofs and associated appurtenances of two of the tanks. Previous change orders added \$371,998.30 to the contract to safely remove the existing suspended painter's rail inside tank four, replacing the roof and upper shell walls of the third tank and removing the upper portion of the existing coal tar lining in the tank. The project requires additional work. The additional work and contract changes are as follows:

- 1) Add \$11,167.00 of additional compensation due to a 16 calendar day delay in obtaining the structural permit.
- 2) Add \$2,212.02 of additional compensation for replacing the grout at the base of Tank 4 as directed by Construction Change Directive (CCD) 002, 002.1, and 002.2.
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- 7) Add \$5,182.21 of additional compensation for the additional electrical conduit required due to changing the location of the hatch on Tank 4.
- 8) Add \$5,652.00 of additional compensation for removing the coal tar lining on the interior of the uppermost 8' tall existing shell plate of Tank 3 as directed by CCD 006.
- 9) Add \$605.00 of additional compensation for labor and materials required to handle water that entered Tank 3 due to a faulty inlet valve.
- 10) Add \$1,830.92 of additional compensation for special services required to vacuum out the blast media inside Tank 3 that was saturated with water due to the faulty inlet valve.
- 11) Add \$235.00 of additional compensation for installing longer bolts and nuts on the handholes shown in Detail 2 on Plan Sheet 4.
- 12) Add \$1,215.00 of additional compensation for welding the interior platform of tank 3 onto the domed roof support structure to obtain redundancy to the stainless steel bolts holding up the platform.
- 13) A not to exceed amount of \$46,000.00 is included as additional compensation to support changes that are anticipated for work on the third tank, which has not yet commenced and for any changes which cannot be predicted prior to draining and entering the tank. Compensation for work under Article 13 of the Change Order shall be on the Force Account basis per Section 00197 of the 2007 City of Portland Standard Construction Specifications (SCS) and shall only be authorized when the Owner's Representative issues a Construction Change Directive in accordance with SCS Section 00140.60.
- 14) Subtract \$2,990.00 in compensation due to reduced cathodic protection materials as a result of accepted changes to the anode configuration in Tanks 2 and 3.
- 15) Subtract \$7,570.00 in compensation and 67 calendar days in contract time for the contract change made by CCD 003 allowing work during the peak summer demand period.

8. FINANCIAL IMPACT:

The contract will be amended to increase the contract by \$199,270.60 and decrease the contract time by 37 calendar days. The new contract total will be \$1,209,313.90. Funding is available in the FY 2010-11 Budget.

9. RECOMMENDATION/ACTION REQUESTED:

Authorize an amendment to increase compensation, decrease the performance period, and increase the scope of work for the Burlingame Tanks Improvements Project.

Funds are available _____

Michael P. Stuhr, P.E., Chief Engineer

David G. Shaff, Administrator