



General Manager
334 Front Street
Ketchikan, AK 99901

Phone (907) 228-5603
Fax (907) 225-5075

TRANSMITTAL MEMORANDUM

TO: The Honorable Mayor and City Council

FROM: Lacey G. Simpson, Acting General Manager

DATE: September 26, 2022

RE: **Change Order No. 1 to Contract No. 21-01 – Raw Water Transmission Main Replacement, BAM, LLC**

At its October 7, 2021 meeting, the City Council approved the award of Contract No. 21-01 – Raw Water Transmission Main Replacement, to BAM, LLC, in the amount of \$5,998,495, and established a 10% project contingency in the amount of \$599,849, bringing the project total to \$6,598,344.

As indicated in the attached memorandum from Water Division Manager/Project Engineer John Kleinegger, there have been four (4) work change directives revolving around removing faulty segments of leaking pipes, excavating and connecting a faulty bell joint connection, delays due to drawing revisions and extra surveying for the Schoenbar Middle School exit driveway and sidewalk necessitating Change Order No. 1 to Contract No. 21-01 in the amount of \$87,680, bringing the contract total to \$6,086,175 utilizing the established project contingency. I concur with the Water Division Manager's recommendation.

Water Division Manager John Kleinegger will be attending the City Council meeting of October 6, 2022, in order to address any questions that Councilmembers may have.

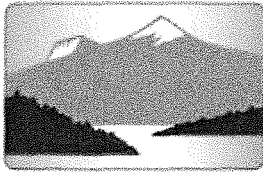
A motion has been prepared for City Council consideration.

RECOMMENDATION

It is recommended the City Council adopt the motion approving Change Order No. 1 to Contract No. 21-01 – Raw Water Transmission Main Replacement between the City of Ketchikan d.b.a. Ketchikan Public Utilities and BAM, LLC in the amount of \$87,680, bringing the total contract amount to \$6,086,175; authorizing funding from the Water Division's 2021 Schoenbar Water Mains (Charter School – Middle School) capital account and project contingency; and directing the General Manager to execute the contract documents on behalf of the City Council.

Recommended Motion: I move the City Council approve Change Order No. 1 to Contract No. 21-01 – Raw Water Transmission Main Replacement between the City of Ketchikan d.b.a. Ketchikan Public Utilities and BAM, LLC in the amount of \$87,680, bringing the total contract amount to \$6,086,175; authorize funding from the Water Division’s 2021 Schoenbar Water Mains (Charter School – Middle School) capital account and project contingency; and direct the General Manager to execute the contract documents on behalf of the City Council.

KPU



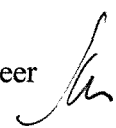
Your Community. Your Utility

Water

2930 Tongass Avenue
Ketchikan, AK 99901

Phone (907) 228-2441
Fax (907) 247-3232

TO: Lacey G. Simpson, Acting KPU General Manager

FROM: John C. Kleinegger, Water Division Manager/Project Engineer 

DATE: September 21, 2022

SUBJECT: **Raw Water Transmission Main Replacement Project - Contract 21-01, Change Order No. 1**

Contract 21-01 was awarded by the City Council on October 7, 2021 to BAM LLC to replace a failing portion of KPU's existing 36-inch raw water transmission main located in Schoenbar Road. That portion will be bypassed by a single, permanent 42-inch HDPE pipeline located between the Ketchikan Charter School and the southwesterly edge of Norman Walker Field (adjacent to the Park Avenue parking area). After winter weather had subsided and the necessary construction materials arrived, BAM LLC began their construction on April 18, 2022.

Since then, BAM LLC has already made connection to the existing 36-inch raw water transmission main at a point adjacent to the Ketchikan Charter School's playground. From there, they have constructed over 1200-feet of 42-inch HDPE pipeline in a buried southeasterly route that follows under the Charter School's playfield, their paved parking area, continues under the School District's Maintenance Shop parking area, and remains underground for the full length of Schoenbar Middle School's repaved parking area. It is only exposed for the short segment that crosses above Schoenbar Creek adjacent to where Schoenbar Creek's 96-inch multi-plate culvert begins. Beyond the multi-plate culvert, 42-inch HDPE pipe will again be buried beneath the Schoenbar Road crossing and continue underneath all of Norman Walker Field to a point adjacent to the Field's Park Avenue parking area. There, the easternmost connection point to the existing buried 36-inch raw water main is already installed and ready for connection. By the end of October, this entire project should be complete with the new 42-inch HDPE pipe segment installed and fully operational.

Now that this project is nearly complete, BAM LLC has submitted a list with supporting documentation describing the additional costs they have experienced while constructing the Raw Water Main Replacement Project. Copies of these documents are appended and these costs are:

Work Change Directive 001 – Description of Work:

During preparatory work for the installation of the 42-inch HDPE westerly tie-in adjacent to Valley Park School, the existing 36-inch ductile iron raw water main beyond the tie-in point was exposed on May 10th where an earlier failure had been patched with a wrap-around band. After being completely exposed, what had been a moderate leak began leaking severely. Rather than allow this leaking failure point to continue any longer, on May 10th, BAM LLC and KPU worked together to remove the faulty segment of 36-inch pipe and replace it with materials supplied by KPU. The tie-in point is shown in the middle of the second photograph.

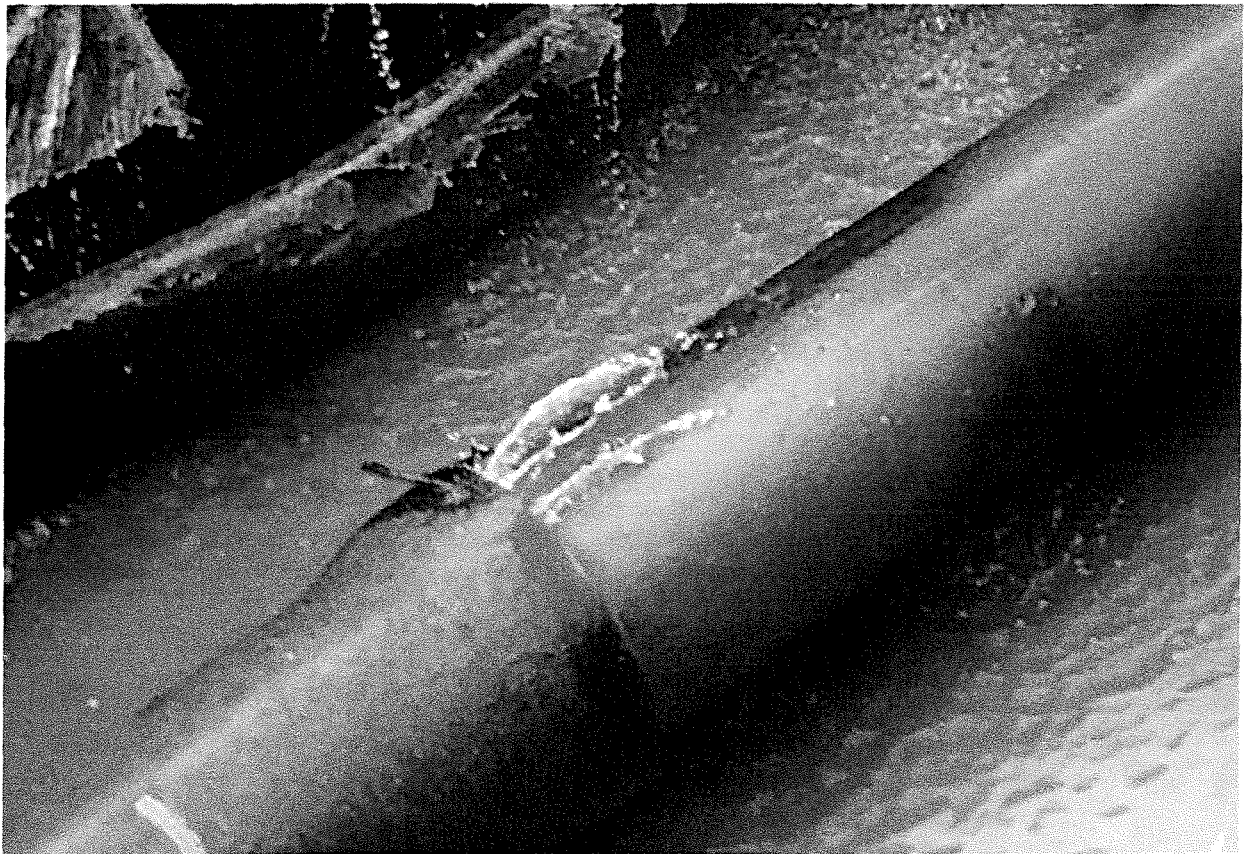
Total Material & Labor cost of \$10,155



Work Change Directive 002 – Description of Work:

When the 36-inch raw water transmission main was installed in 1993, an adjacent parallel 14-inch disinfected water distribution main was also constructed built of unrestrained 18-foot long segments of ductile iron pipe with bell-joints. Consequently, neither have any mechanical restraint other than being buried in the surrounding soil. When installing the massive tie-in fabrication as shown in the photograph above, it also requires this segment of the 36-inch main to be completely exposed leaving unprotected workmen working alongside an unrestrained, 14-inch water main in service that could abruptly deflect at any time. To provide a safe working environment, Contract 21-01 required the removal of a segment of the dangerous, nearby 14-inch pipe and the parallel installation of 100-feet of restrained 20-inch HDPE segment some further 15-feet away. This work went well but after completion on July 11th, a leak began developing in a 14-inch bell joint further away from the southeasterly 20-inch HDPE connection. Excavation and inspection found that the original construction in 1993 had not inserted the adjoining segment of 14-inch pipe fully into the next bell joint which gradually allowed it to begin leaking. Working together, BAM LLC and KPU corrected the joint so the project could continue.

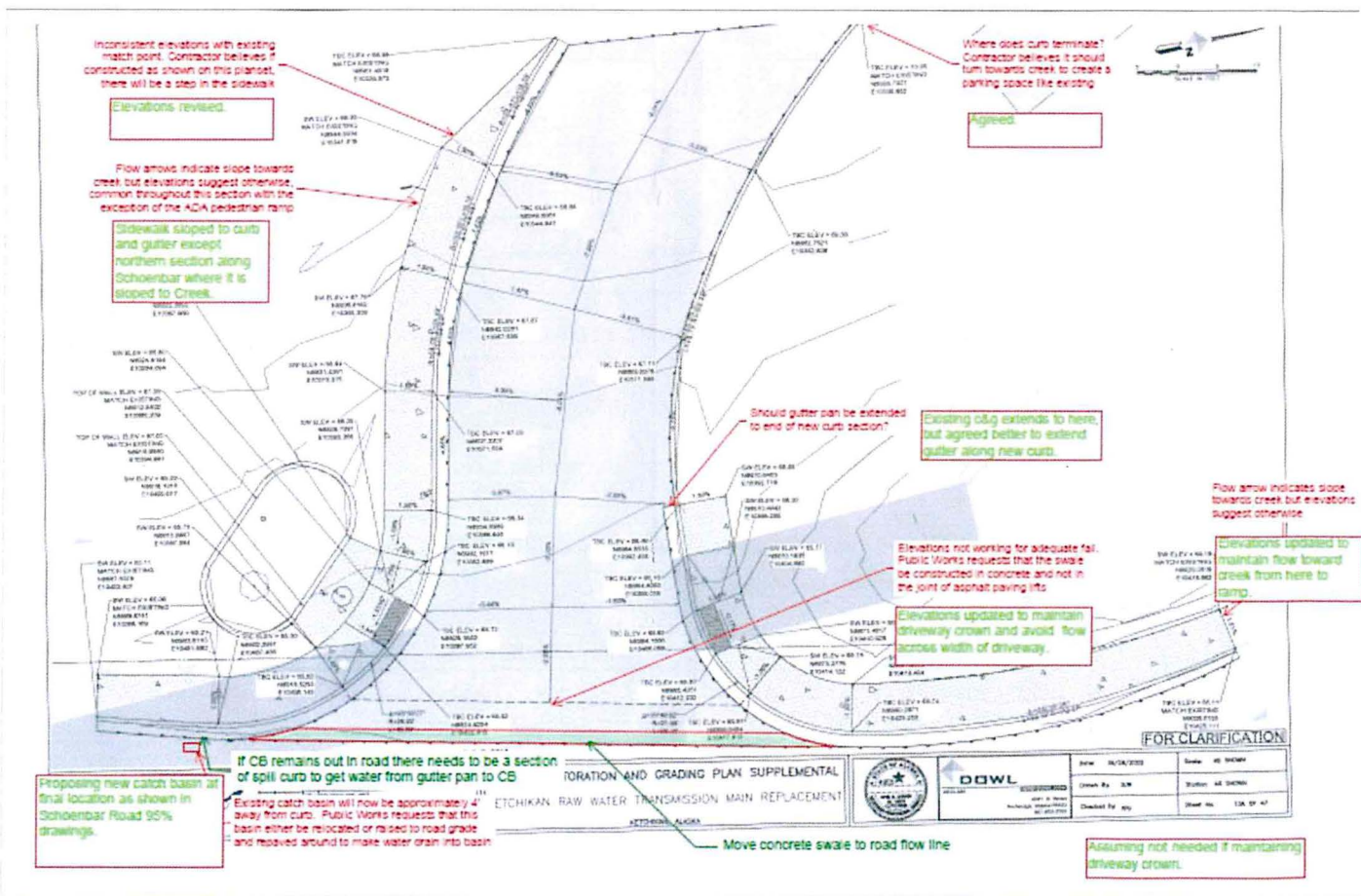
Total Material & Labor cost of \$8,935



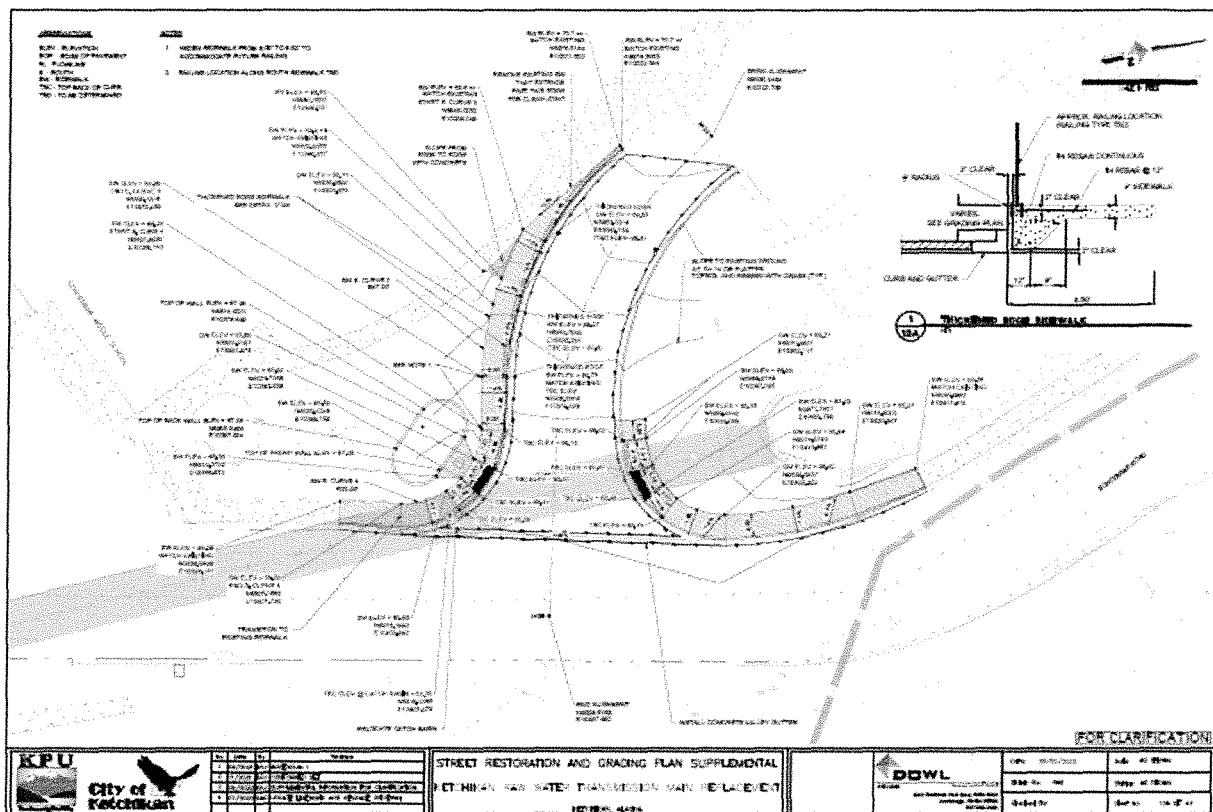
Work Change Directive 003 – Description of Work:

This is a Lump Sum Cost presented by BAM for their delays and inefficiencies resulting from errors in DOWL's design that were discovered during construction. Specifically mentioned were the impossibility of bending 42-inch SDR 11 HDPE pipe to some of the radii called out in the Contact Drawings. Instead, specially fabricated fittings to the correct angle of deflection had to be made in Oklahoma and substituted.

Further, the Trimble Business Center (TBC) measurements used by DOWL to prepare the Sheet 13 Contract Drawings lacked centerline alignment, centerline profile grades, typical cross sections with cross slopes and offset distances. DOWL's first draft response arrived July 25th and KPU replied with the comments listed below:



The sidewalk and both sides of the entryway along Schoenbar Road were initially omitted and DOWL's corrections still required significant major revisions in the field. Even with the DOWL's corrections, there was still a continued vertical elevation difference between the existing building sidewalk and roadway curb line which required thickened sidewalks and the installation of protective railings and handrails. As a result the DOWL provided centerline elevations had to be ignored, and the driveway subgrade and subsequent asphalt was field fit requiring extra effort by BAM LLC, BAM LLC's surveyor, and KPU.



The net result of all these unresolved difficulties between July 25th to August 10th was while BAM LLC's crew was waiting for this information, their equipment/ material rental costs were continuing, their labor and overhead expenses still had to be paid, and the construction tasks that the crew should have already completed are now delayed by a like amount of 1 ½ weeks which now extends the estimated construction completion date further into October and creates additional unanticipated labor costs.

Total Material & Labor cost of \$61,380

Work Change Directive 004 – Description of Work:

Additional Survey Work required at the Schoenbar Middle School Exit Driveway and Sidewalk. Already described in detail for Work Change Directive 003 above. DOWL's roadway design on Sheet 13 and 13A provided un-necessarily low elevations and incorrect center-line elevations which had to be corrected by BAM LLC's surveyor, Garry Tams, in the field in order to finally construct the exit driveway.

Total Material & Labor cost of \$7,210

Change Order No. 1 Total, \$87,680

Contract 21-01 was awarded by the City Council on October 7, 2021 to BAM LLC in the amount of \$5,998,495 with a 10% contingency allowance of \$599,849. Change Order No. 1 in the amount of \$87,680 can be fully funded within the budgeted contingency amount which will increase the current project cost to \$6,086,175.

Recommendation:

That the City Council adopt the motion approving Change Order No. 1 to Contract 21-01 Raw Water Transmission Main Replacement Project between Ketchikan Public Utilities and BAM LLC in the amount of \$87,680, bringing the total contract amount to \$6,086,175; authorizing funding from the Water Division's Comb 2019 001-5400 (Schoenbar Road Water & Sewer – (Charter School – Middle School), Water Capital Projects Infrastructure & Plant Account 730.00; and direct the KPU General Manager to execute the change order on behalf of the City Council.

P.O. Box 5644
Ketchikan, Ak 99901

INVOICE

DATE: 8/22/22

P.O. NO. 2270

All Accounts are due within 30 days, past due account are subject to a monthly finance charge of .875% (maximum 10.5 yearly)

P.O. Box 5644
Ketchikan, Ak 99901

INVOICE

P.O. NO. 2269

All Accounts are due within 30 days, past due account are subject to a monthly finance charge of .875% (maximum 10.5 yearly)

P.O. Box 5644
Ketchikan, Ak 99901

INVOICE

P.O. NO. 2275

All Accounts are due within 30 days, past due account are subject to a monthly finance charge of .875% (maximum 10.5 yearly)

P.O. Box 5644 Ketchikan Ak. 99901 (907) 247-2266 off. (907) 247-7743 Fax

Ketchikan, Ak 99901

Work Change Directive 004

INVOICE

SOLD TO: City of Ketchikan
Attn: Seth Brakke KPU water
334 Front St.
Ketchikan, Ak. 99901

DATE: 8/22/22

P.O. NO. 2268

QTY	UNITS	DESCRIPTION	PRICE EA.	AMOUNT
				-
		Raw Water 2022 Project no. 21-01		
				-
1	L.S.	Extra survey work at Schoenbar School Intersection, Layout and relayout work, design work, Extra suvey work due to pipeline defection errors, calculating new angles for new bends, field fitting	7,210.00	7,210.00
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SUBTOTAL				-
SALES TAX				
MOVE PERMIT FEE				
TOTAL DUE				\$ 7,210.00

All Accounts are due within 30 days, past due account are subject to a monthly finance charge of .875% (maximum 10.5 yearly)

P.O. Box 5644 Ketchikan Ak. 99901 (907) 247-2266 off. (907) 247-7743 Fax

Offer of Employment and Budget Transfer – Finance Controller

Moved by Flora, seconded by Gage the City Council authorize the Acting City Manager to offer the Controller position to Shawn Hart of Pewaukee, Wisconsin based on compensation level of Grade 774, Step S, which provides an annual salary of \$115,650; authorize vacation accrual of fifteen (15) days per year; and authorize a budget transfer of \$15,000 from within the Finance Department's 2021 Salaries and Wages Account No. 500.01 to the Department's Allowances – Moving Expense (Taxed) Account No. 509.07.

Motion passed with Gass, Kiffer, Gage, Bradberry and Flora voting yea; Zenge and Bergeron absent.

Resolution No. 21-2824 – A Joint Resolution of the Assembly of the Ketchikan Gateway Borough, Council of the City of Ketchikan, and Council of the City of Saxman, Opposing the Imposition of a Statewide Sales Tax

Moved by Bradberry, seconded by Gage the City Council defer Resolution No. 21-2824 indefinitely in regards to the imposition of a statewide sales tax.

[Clerk's Note: As a point of order, the motion should have been a motion to table the resolution indefinitely, as there was no motion on the table to defer. However, the intent of the Council was to table the subject indefinitely.]

Motion to defer indefinitely passed with Gass, Kiffer, Gage, Bradberry and Flora voting yea; Zenge and Bergeron absent.

Award of Contract No. 21-01 – Raw Water Transmission Main Replacement - BAM, LLC

Moved by Kiffer, seconded by Gage the City Council accept the bid of BAM, LLC in the amount of \$5,998,495 for Contract No. 21-01, Raw Water Transmission Main Replacement; establish a ten percent contingency in the amount of \$599,849.50, bringing the total project cost to \$6,598,344.50; authorize a budget transfer in the amount of \$176,817 from Appropriated Reserves of the KPU Enterprise Fund to the Water Division's 2021 Schoenbar Water Mains (Charter School – Middle School) capital account; authorize funding from the Water Division's 2021 Schoenbar Water Mains (Charter School – Middle School) capital account in the amount of \$6,598,344.50, and direct the Acting General Manager to execute the contract documents on behalf of the City Council.

Motion passed with Gass, Kiffer, Gage, Bradberry and Flora voting yea; Zenge and Bergeron absent.

VOUCHERS

Moved by Gage, seconded by Bradberry approval of vouchers to Parnassus Books in the amount of \$191.79.