

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: July 13, 2011

Board Item: V-E-3

**CHANGE ORDER NO. 2
WITH SEVENSON ENVIRONMENTAL SERVICES, INC.
TO PROVIDE DREDGING SERVICES FOR
REMOVAL OF SEDIMENT IN STRONTIA SPRINGS RESERVOIR
CONTRACT 12650A**

Action by Consent

Action

Information

On April 14, 2010, the Board approved Contract 12650A in the amount of \$30,046,500.00 with Severson Environmental Services, Inc. to provide sediment dredging services in Strontia Springs Reservoir. The project consists of removal by dredging of approximately 625,000 cubic yards of sediment from the reservoir and transport by pumping to the Kassler filter beds for dewatering and stockpiling.

Change Order No. 2 provides a modification to the contract as described below:

- A baseline price of \$2.75 per gallon for off-road diesel was provided in the Contract for fuel to be consumed during dredging operations. An adjustment of the Contract Price for increased or decreased fuel costs from the baseline fuel price is required based on actual fuel costs incurred by the Contractor. The amount of diesel fuel subject to the price adjustment is 1,083,797 gallons. Recent increases in fuel prices have resulted in the Contractor incurring fuel expenses above the baseline Contract unit price.
- An estimated average increase above the baseline price of \$0.65 per gallon is anticipated for 1,083,797 gallons of off-road diesel fuel during the dredging operation. This Change Order provides reimbursement of the increased cost over the baseline unit price for 1,083,797 gallons.

The total value of Change Order No. 2 is \$704,468.05.

The 2011 and 2012 Capital Improvement Plan (MPC 4AN0002) includes funds for this project. A variance is needed to account for this Change Order which includes additional site security requirements, Engineering labor for project oversight, and consultant expenditures for inspection and risk management services.

RECOMMENDATION

It is recommended that the Board approve Change Order No. 2 to Contract 12650A with Severson Environmental Services, Inc. in the amount of \$704,468.05, bringing the total contract amount to \$29,783,691.15.

Budget Considerations

Master Plan Code(s): 4AN0002

Budgeted Item Unbudgeted Item Funds transferred from another project:

Budget Information

2011-2012 Budget	\$22,237,275.00
Amount This Item	\$704,468.05
YTD Expenditures	\$2,213,123.00
Additional Expenditures Anticipated	\$19,519,683.95
Revised 2011-2012 Budget	\$22,437,275.00
2011-2012 Variance Required	\$200,000.00

Approvals:


 Robert J. Mahoney
 Director of Engineering


 James S. Lochhead
 CEO/Manager