

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 14, 2013

Board Item: V-A- 6

**Change Order No. 2 with American West Construction, LLC for the
South Platte Collection System North Metro Howe-Haller A/B and
Howe-Haller B/Hazeltine Reservoir Interconnect Structures
Agreement 12892A**

Action by Consent Action Information

On July 27, 2011, the Board approved Contract 12892A in the amount of \$3,399,773.50 with American West Construction, LLC for the South Platte Collection System North Metro Howe-Haller A/B and Howe-Haller B/Hazeltine Reservoir Interconnect Structures. In late January 2012, a dispute began regarding whether the contract documents appropriately directed the tunneling subcontractor not to utilize its preferred equipment, which Board staff believed was not safe for the site conditions. When the tunneling activity was complete, a second dispute arose regarding the extent to which the Contractor should reimburse the Board for costs related to defective grouting work. These two disputes were submitted to a hearing officer under the Board's relatively new dispute resolution process. The hearing officer determined that the Contractor should be awarded \$165,508.96 on its tunneling claim and that the Board should be awarded \$39,842.00 on its grouting claim. Neither side sought review of the decision in the District Court. Therefore, this matter has concluded except for the net payment to the Contractor.

The total value of Change Order No. 2 is \$125,666.96 for the net value for both claims.

The 2013 Capital Improvement Plan (MPC 1AL0205) does not include sufficient funds for this project. Unused funds from 2013 Main Replacements (MPC 2DD0003) will be used to offset this project variance.

Recommendation

It is recommended that the Board approve Change Order No. 2 to Contract 12892A with American West Construction, LLC in the amount of \$125,666.96.

Budget Considerations

Master Plan Code(s): 1AL0205

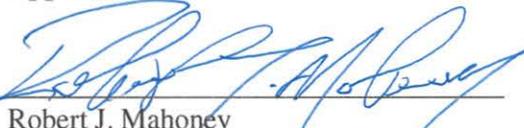
Budgeted Item Unbudgeted Item Funds transferred from another project: 2DD0003

Budget Information

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|-------------------------------------|---------------|
| 2013 Budget | \$ 203,708.00 |
| Additional Funds Transferred In | \$ 94,014.96 |
| Revised 2013 Budget | \$ 297,722.96 |
| Amount Requested This Item | \$ 125,666.96 |
| YTD Expenditures | \$ 172,056.00 |
| Additional Expenditures Anticipated | \$ 0.00 |
| Revised 2013 Estimate | \$ 297,722.96 |
| Variance Required | \$ 0.00 |

Approvals:

Respectfully submitted,


Robert J. Mahoney
Director of Engineering


James S. Lochhead
CEO/Manager


Patti Wells
General Counsel

 8/5/13
Terri Bryant, CPA
Controller