



CITY OF FLAGSTAFF CONTRACT SUPPLEMENTARY JUSTIFICATION

[X] CONTRACT ALLOWANCE
[X] ADMINISTRATIVE CHANGE ORDER

PROJECT NO. WA 3157 PROJECT NAME: Huntington Waterline Replacement

FILE NO. 03-19008 Project Manager: Trevor Henry

CONTRACTOR/CONSULTANT: Sellers & Sons Inc.

PROJECT DESCRIPTION: The Project consists of installing 3,000 LF of new 16" ductile iron waterline. Included will be new water services, fire hydrants, air release valves, and a minimal amount of asphalt and concrete work associated with the new waterline connections within Ponderosa Parkway. This project is part of the City's ongoing aging water infrastructure replacement program.

JUSTIFICATION FOR USE AND AMOUNT:

Contract Allowance (CA) Justification and Amount:

A \$41,200.77 CA is recommended to compensate Sellers & Sons Inc. for costs associated with potential unforeseen items of work where details could not be determined at the time of contracting such as:

- Owner directed increases to Project scope for items not identified to need repair at the time of design or contracting.
- Non-compliant water service locations starting outside the Project limits and ending within the Project limits.

The low bid amount is \$686,679.50 plus a CA of \$41,200.77 or 6% of the low bid amount of \$686,679.50 (excluding a CA), equals the total Contract Amount of \$727,880.27

Administrative Change Order (ACO) Justification and Amount:

A \$68,667.95 ACO is recommended to compensate Sellers & Sons Inc. for the associated costs on items such as:

- Unforeseen trench rock excavation, unsuitable soil, subgrade stabilization, and utility conflicts.
- Increase in the Project scope due to additional funding becoming available or oversight during Project scoping.

The \$68,667.95 ACO is 10% of the low bid amount of \$686,679.50, which is the Contract Price of \$727,880.27 excluding the \$41,200.77 CA. This ACO amount is per the April 16, 2019 Procurement Code revisions.

The Procurement Code Manual for Design/Bid/Build contracts allows for up to a 7.5% Contract Allowance for contracts of this value. Staff recommends and is comfortable with a 6% Contract Allowance as this is a lower risk project with less potential for unforeseen items of work.

COST/BUDGET/FUNDING SOURCE ANALYSIS:

Contract Allowance Justification and Amount:

The CA is recommended to be included in the Contract Amount and will be funded by the total budget appropriations, \$1,135,000, remaining in FY 21 account number 202-08-370-3376-0 and in the proposed FY 22 account number 202-08-370-3438-0.

Administrative Change Order Justification and Amount:

The ACO is recommended to be approved and can be funded by the total budget appropriations, \$1,135,000, remaining in FY 21 account number 202-08-370-3376-0 and in the proposed FY 22 account number 202-08-370-3438-0.

APPROVAL:

Signature

Date:

Project Manager Trevor Henry Approval Recommended 4-15-21

Program Manager [Signature] Approval Recommended 4/15/21

Section Head _____ Approval Recommended _____

Division Head Richard A. Barnett Approval Recommended 4/15/21