City of FRESNO **REPORT TO THE CITY COUNCIL**

AGENDA ITEM NO.	1 D
COUNCIL MEETING	2/10/2011
APPROVED BY	
DEPARTMENT DIRECTOR	
CITY MANAGER	

February 10, 2011

FROM: RENE A. RAMIREZ, Director
Department of Public Utilities

BY: STEPHEN A. HOGG, Assistant Director
Department of Public Utilities, Wastewater Management Division

SUBJECT: APPROVE THE FOURTH AND FINAL PROJECT CHANGE ORDER FOR A CREDIT IN THE AMOUNT OF $476,016 AND A PROJECT EXTENTION OF TWO HUNDRED SIXTY SEVEN ADDITIONAL DAYS FOR THE ORGANIC UPGRADE CONSTRUCTION PROJECT AT THE FRESNO/CLOVIS REGIONAL WASTEWATER RECLAMATION FACILITY BID FILE NO. 2621. (COUNCIL DISTRICT NO. 3)

RECOMMENDATION

Staff recommends that the City Council approve the fourth and final project change order for a credit in the amount of $476,016 and a project time extension of 267 additional days for the Organic Upgrade construction project located at the Fresno/Clovis Regional Wastewater Reclamation Facility (RWRF).

EXECUTIVE SUMMARY

The Department of Public Utilities, Wastewater Management Division, is seeking the approval of the fourth and final project change order for the Organic Upgrade construction project in order to close out this capital project. The change order dollar amount is a credit to the City in the amount of $476,016 and an extension to the project duration of 267 calendar days. Construction began in November of 2006 and reached final completion on September 16, 2010. The original contract was awarded in an amount of $104,991,000 and 910 calendar days of construction. The three previous change orders revised the contract amount to $105,760,087 and a total of 938 days duration. This final change order reduces the contract amount to $105,284,071 and increases the total number of days to 1266 when weather delays are included.

BACKGROUND

In August 2006 the City Council awarded the construction contract for the Organic Upgrade to J.R. Filanc Construction Company, Inc. with the notice to proceed being issued in November 2006. The project reached substantial completion on April 20, 2010. It was at this point in time the City received beneficial use of these upgraded facilities. As with such typical capital construction projects, a minor list of construction items known as a "punch list" were completed and the subsequent final completion was accomplished on September 16, 2010. A total of three official change orders were issued during the construction of this project. The project's change orders at the time of final completion totaled $769,087 and an extension of 28 calendar days.

This fourth and final change order will bring the total of change orders down from $769,087 to $293,071 while increasing the contract duration by 267 days. There were several reasons for the large increase in time requested associated with this change order. They include unforeseen complications associated with retrofitting of an existing structure to perform a different treatment process. Also contributing to the time

extension is the innovative operation techniques currently being utilized at the RWRF which were not being practice at the time of the project design. These new techniques caused a last minute change in two critical air flow meters. The replacement meters had an extremely long lead time. Also contributing to the time extension were also several unforeseen building code issues unforeseen by the designer which were not detected during plan check but identified during final code inspections. Both the Director of Public Works and Assistant Director of Public Utilities agree the settlement amount is fair and equitable for both sides of the construction contract. Also contributing to the low total dollar amount of change orders was the partnering process utilized allowed for resolution of issues in a financially beneficial method. The total change orders for this project amount to 0.28% of the original contract amount. For comparison, in the public construction industry the standard projects of this type typically see change orders amounting from three to five percent of the original contract amounts.

Additionally the change order will add 267 calendar days to the project duration. Per the City of Fresno's Charter any change in a construction project adding over five percent of time to the original duration of a contract must be approved by the City Council.

This fourth and final change order has been reviewed and approved as to form by the City Attorney's Office.

The approval of this fourth and final change order by the Council does not meet the definition of a project under the California Environmental Quality Act Guidelines (CEQA) as provided in 15378 of those guidelines. Therefore no further CEQA work is required.

FISCAL IMPACT

The fiscal impact to the City will be a credit of $476,016, which will be taken out of the project retention being held until the final payment. Should Council approve this change order, the credited amount of $476,016 will revert to the Sewer Enterprise Fund and the purchase order closed.

Attachment:
- Contract Change Order #4

City of Fresno
PUBLIC WORKS DEPARTMENT

CONTRACT CHANGE ORDER NO. 4

CONTRACT AWARDED BY: ■ CITY COUNCIL ___ REDEVELOPMENT AGENCY ___ INFORMAL

DATE OF AWARD **Aug 29, 2006**

PROJECT: **Fresno/Clovis RWRF Organic Upgrades Project** SHEET **1 of 18**

P.O. NO: **44811** PROJECT ID NO. **TC00040** BID FILE NO. **2621**

TO: **J. R. Filanc Construction Company, Inc.** ,CONTRACTOR

You are hereby requested to make the herein described changes from the plans and specifications or do the following described work not included in the plans and specifications on this contract.

NOTE: THIS CHANGE IS NOT EFFECTIVE UNTIL FULLY EXECUTED. Change requested by: **City of Fresno**

Description:

I. **CHANGES TO CONTRACT PLANS AND SPECIFICATIONS.**

A. The attached additional fourteen pages with three pages of attachments containing a summary (the changes included in this Change Order are incorporated herein by reference. For explicit detail on each item, please refer to the official contract documentation as contained in the Item (Potential Change Order [PCO]) files located at the RWRF.

II. **CONTRACT PRICE**

A. This Change Order No.4 results in a net decrease of **$476,016.00** to the contract price.

III. **CONTRACT TIME**

B. This Change Order No. 4 results in a net time increase of **267 Calendar Days.**

Cost of this Change Order		Increase / Decrease
Estimated	$ (476,016.00)	
Exact X		
Original Contract Price	$ 104,991,000.00	
Approved Cost Changes to Date	$ 769,087.00	
Total of all Contract Changes including this Change Order	$ 293,071.00	
Net change in Contract Price is of the original Contract Price	0.28%	
Revised Contract Price	$ 105,284,071.00	

STATEMENT OF CONTRACT TIME	NUMBER OF DAYS	DATE
Date of Notice to Proceed		Nov 1, 2006
Contract Working X Calendar Days	910	
Orginal Computed Date for Completion		Apr 29, 2009
Time extension days this CCO	267	
Total time extension days all CCO's	295	
Weather Days through April 20, 2010	61	
Suspended Days through	0	
Extended Date for Final Completion		Apr 20, 2010
Substantial Completion		Apr 20, 2010

We, the undersigned contractor, have given careful consideration to the change proposed and hereby agree, if this proposal is approved, that we will provide all equipment, furnish all materials, except as may otherwise be noted above, and perform all services necessary for the work above specified, and will accept as full payment therefor the price shown above.

Accepted Date 1/25/11 Contractor: J.R. Filanc Construction Co., Inc.

Signed By: Mark E. Filanc Title: President & CEO

If the contractor does not sign acceptance of this order, his attention is directed to the requirements of the specifications as to proceeding with the ordered work.

Submitted By: Kevin Norgaard,, Supervising Professional Engineer

Approval Recommended Ron Allred, P.E. Date 1/31/11

Authorized: ☐ City Manger

☐ Ex-officio Executive Director of the Redevelopment Agency Date

(if change orders or total of change orders exceed 5 percent of contract price)

Authorized: ■ City Council ☐ Redevelopment Agency Minutes of Meeting Dated:

(if total change orders exceed 10 percent of contract price or 20 percent of contract time, or if individual change order exceeds 1 percent of contract price)

Approved: ☐ Public Works Director

☐ Engineer for the Redevelopment Agency Date

PROJECT: **Fresno/Clovis RWRF Organic Upgrades Project** P.O. No: **44811**
Contractor: **J.R. Filanc Construction Company, Inc.**

ITEMS CLOSED UNDER PREVIOUS CHANGE ORDERS

- CHANGE ORDER NO. 1
  - 1-16, 18-42, 44-46, 52, 56, and 58
- CHANGE ORDER NO. 2
  - 17, 43, 47, 48, 50, 53-55, 57, 59-72, 74-80, 82-89, 93-99, 105-106, 108-109, 112-115, 123
- CHANGER ORDER NO. 3
  - 73, 81, 90-92, 100-101, 103-104, 110, 116-122, 124-125, 127-131, 133-135, 137, 139

SUPPLEMENTAL WORK ITEMS COVERED UNDER THIS CHANGE ORDER NO. 4:

- **Item #049 – I/O Signal needs Aux. Relay Contacts. RFP #16, RFI #180** – Although an RFP was issued, no costs or time delays were experienced. **No Costs – No Additional Time.**
- **Item #051 – Tie-In to Canal A – RFP #018** – The Design Drawings called out a detail (F) symbol showing the tie-in from the Mixing Structure to the Canal A but no detail was included. The Engineer issued RFP #018 showing this work and after much discussions and planning with the Owner, a lump sum add of $8,750 with no time was agreed to for this added work. Prior to the work being performed, the completion of EJB1 caused the water level in the Mixing Structure to rise and force out the portion of the Canal that was to be demolished. This change then became null and void and no costs or time were involved. **No Costs – No Additional Time**.
- **Item #102 – Extra Holes in Tunnel H Walls** – This change included placing additional sleeves in the Tunnel H to incorporate additional piping that **were not provided** for under the Original Contract Documents, but are required for future projects to make connections to Tunnel piping. **Add $13,927.00 - No Additional Time**.
- **Item #107 – RAS/WAS Deck Repair – RFI #390** – During the Construction of the New RAS/WAS Structure, it was discovered the Existing Structures roof deck at the tie-in location did not have sufficient concrete cover on the rebar for protection. The Contractor sufficiently caulked the joint so as to add protection to the existing structure. In lieu of a charge of dollars and time, this proposed change was offset against the minimal credit offered for the grout fillets in proposed change #180. The Construction Manager ("Construction Manager" or "CM") found this to be a fair exchange and also eliminated paperwork. **No Cost – No Additional Time.**

- **Item #111 – DCB Plumbing Carryover from Item #048 – FD 5R3 -** This work involved bringing the floor drains, vents and piping up to City Code, above what was called for on the "Contract Documents". This is the second and final part of the work required – See previous Item #048 in Change Order #002. This added work was accomplished on a Time & Material Basis per the "Contract Documents". **Add $26,021.00 – No Additional Time.**

- **Items #126 – Block-outs in 42" Mixed Liqueur Encasement for Gate Installation – RFI #416 – RFP #042 –** Block-outs in the concrete encasement for the 42" Mixed Liqueur line had to be created to allow for the installation and operation of the slide gates. This involved 12 locations for the slide gates and was caused by a discrepancy in elevations as called out on the structural verses mechanical drawings. The Contractor's proposal was reviewed and with additional substantiation furnished, was found to be reasonable and fair by the Construction Manager, Engineer and City for the work required. **Add $21,185.00 - No Additional Time.**

- **Item #132 – This item involved Design Clarification #005 (piping changes at Tunnel H including rerouting the 12" DS line, removal of ~ 110' of 12" DIP, temporary piping to keep existing Digesters 9 through 12 in service and the addition of many fittings and other changes), and three Requests for Proposals (RFP #048 – add a plug valve and blind flanged Tee per attached sketch 6M04; RFP # 054 – adding an 8" and 10" plug valve and ~ 25' of 10" DIP and 2-45 degree bends; and RFP #057 – adding 4 – 6" flexible metal bellows type expansion joints and cutting grooves for and installing 20 – 6" Victaulic Style 77 flexible couplings.** The Contractor's original proposal for costs and time were rejected; further negotiations led to a solution that was found to be fair and equitable [by the CM and Engineer] for all the work required and involved (including the work referenced in Items 151 & 159) with the changes requested. **Add $99,967.00 – No Additional Time.**

- **Item #136 – Pipe Supports, Anchors and Piping changes associated with the Digester Control Building Trench and Adjacent Tunnel – RFI #479 –** This change was necessitated to provide for human access in the trench and tunnel and to adjust the piping due to the access issue and pipe support changes required. Because of all the issues involved, numerous negotiations took place and the final results were considered fair by the Construction Manager and City. **Add $58,000.00 – Add 4 Calendar Days.**

- **Item #138 – DCB Doors – RFI 496 –** The Contractor issued and then withdrew his NOIC #070 based on the RFI response. **No Costs – No Additional Time.**

- **Item #140 – Motor Space Heaters for Pumps 09-PMP-113 & 114 – RFP #046 –** Through a Request for Clarification an RFP was issued to add control wiring to the subject pumps (w/heater) not shown on the drawings. The Owner, after reviewing, determined the pumps did not require heaters and this item was cancelled. **No Costs – No Additional Time.**

- **Item #141 – HVAC in RAS/WAS Pump Station Control Room – RFI #507 – RFP #047 –** The Contractor was requested to modify the existing ductwork as necessary to provide cooling air from the two existing heat pumps in the

electrical room to the adjacent control room. **Add $4,550.00 – No Additional Time.**

- **Item #142 – Plug valve and TEE on 8" HDS line – RFP #048** – A Request for Proposal was issued to add a Plug Valve and blind-flanged Tee to the 8" HDS line in the new Digester Control Building. This item is included and resolved in PCO #132. **No Costs – No Additional Time**.

- **Item #143 – Air Release Valve on 4-inch WAS Piping – RFP #049** – Add an air release valve (for sewage service) to the 4" WAS piping in the RAS/WAS Pump Station, as described in review comment no. 1 for Submittal 0441-15251-0. This was not shown nor called for in the "Contract Documents". **Add $1,893.00 – No Additional Time.**

- **Item #144 – Revised Schematics 13 and 13.1 – RFI #515, RFP #050** – Owner requested change to accomplish the high discharge pressure signal and low seal water flow signals at the TWAS float pumps and WAS pumps at the Thickener Control Building, the Engineer submitted revised Schematic Diagrams No. 13 and 13.1 to replace those on Drawing OE37. **Add $24,362.00 – No Additional Time**.

- **Item # 145 – Slab-on-Grade Reinforcing Issues for Basins 16 & 17 at the Secondary Sedimentation Basins – RFI's 448 & 485 – NOIC #071** – Several reinforcing issues arose at the sedimentation basin feed channel footing edge [east side] and the sump(s) walls. The issues involved additional reinforcing required by the Engineer that was not specified in the Contract Documents. Once the issues were sorted out, a review of the Contractor's proposal [including additional substantiation] for the added work was found to be acceptable to the Engineer, Construction Manager and City Engineer. **Add $8,701.00 – No Additional Time**.

- **Item #146 – Plug Valves on WAS line and Suction of TWAS Float Pumps – FRP #051** – This item involved an Owner request for a plug valve on the new WAS yard piping and also the addition of two (2) 6" plug valves on the suction side of the TWAS float pumps that were inadvertently left off of the Contract Documents. After review and adjustments the Contractor's proposal was found to be fair and reasonable. **Add $10,972.00 – No Additional Time**.

- **Item #147 – Blower Filter Housing Mounting – RFP #052 – RFI #522** – Additional work was required to the blower filter housing pads due to unforeseen interferences with existing openings in the existing building where the equipment was to be installed. The Engineer issued an RFP, with sketches, to the Contractor to make the necessary adjustments to allow anchoring the new blower filter housings. Review and adjustment to the Contractor's proposal yielded a fair and reasonable solution to the problem. **Add $11,757.00 – No Additional Time**.

- **Item #148 – Mixer Motor Wire Conductor Resizing for Voltage Drop – RFI #527 – RFP #053** – To accommodate the Specifications and/or the National Electrical Code for allowed voltage drop, the wire sizing specified to Mixers

(#46, 48, 54, 56 & 58) had to be changed. No changes were needed to the remaining Mixers or conduit sizes. **Add $12,963.00 – No Additional Time.**

- **Item #149 – East Junction Box #1 Alternate Bypass –** The Contractor submitted a Valued Engineered Alternate Proposal for the construction of the subject structure and the concept was acceptable to the Engineer and Owner, subject to the Contractor being responsible for any/all issues that may arise with Contractor's proposed change to the original design, at no additional cost to the City. **Deduct $147,249.00 – No Additional/Deleted Time**.

- **Item #150 – Ductbank to existing valves on Digester #9 – RFP #56 –** This work involved the removal of an existing ductbank not shown on the Documents and that was in the way of new work; provide temporary power to existing Digester #9 valves and then replace the ductbank, all as detailed in Field Directive #012 and RFP #056. The Contractor's price was found to be fair and reasonable. **Add $28,909.00 – No Additional Time.**

- **Item #151 – SN/BN Piping Between Digester 9 & 11 –** Closed and incorporated with PCO #132. **Costs included with PCO #132 – No Additional Time.**

- **Item #152 – Demolish and reinstall ductbank South of Blower Building #2 – RFP #058, RFI #526 –** In installing the 48" AA pipe south of the Blower Building #2, an existing and unforeseen ductbank was encountered that had to be demolished and replaced. The submitted costs were found to be reasonable for the work involved. **Add $32,113.00 – No Additional Time**.

- **Item #153 – Isolation Valves for 3" 2W in Aeration Basins 9 & 10 Feed Channels – RFI #532 –** The Engineer's response to the subject RFI allowed for the movement (for accessibility) of a valve and the addition of three (3) additional ball valves to isolate the lines in the Feed Channel from the North South lines running on the East and West side of the Aeration Basins for maintenance purposes. **Add $2,732.00 – No Additional Time**.

- **Items #154 – 5N04 Interlock Note I-1 – RFI #533 –** This item was closed at the 1/15/09 PCO meeting at no cost per Collins and the pending RFP was cancelled. **No Costs – No Additional Time**.

- **Item #155 – Blower Building Fire Riser Incident – NOIC #072 –** This item involved damage to the new electrical gear in the Blower Building #2 Electrical Room from water damage when a valve was opened on 1/1/09. The interior sprinkler system was demolished but the line was not capped nor was the valve locked out. In consideration of a time extension [see PCO #170], this issue was withdrawn by the Contractor and settled as a no cost – no time issue in accordance with the CM letter to Contractor, dated 7/6/09 and incorporated herein by reference, regarding Items (PCO's) #170 and #155. Repair/replacement costs were covered by the Contractor's Insurance, under the terms of the Contract. **No Costs – No Additional Time**.

- **Item #156 – Design Clarification #6 and Driveway Detail email – RFI #504 –** Changes required to the grade around the Digester Complex due to an error in

previously given directions by the Engineer and additional concrete and rebar necessary at the overhead doors for the Digester Control Building to allow for truck traffic as was intended. **Add $19,968.00 – No Additional Time**.

- **Item #157 – Transformer Feeders in Digester Control Building and RAS/WAS Pump Station – RFI #543 – RFP #055** – This item involved the changing of three (3) breakers that were rejected by the City of Fresno Electrical Inspector for being too small. The Engineer reviewed and confirmed bigger breakers were needed and requested a proposal from the Contractor. The proposal was reviewed and found to be fair and reasonable. **Add $2,955.00 – No Additional Time.**

- **Item #158 – Dry System Fire Alarm Monitoring** – During a submittal coordination meeting with the Engineer it was determined to provide integration that will utilize the Fire Detection System to initialize the Fire Suppression System for the Blower Building Electrical Room in lieu of separate stand alone devices for the suppression system. The Contractor's price was found to be fair and reasonable for the work entailed. **Add $4,044.00 – No Additional Time**.

- **Item #159 – HWS/HWR Expansion Joints** – This item is also included and resolved in PCO #132. **No Costs – No Additional Time**.

- **Item #160 – Fluid IQ Instrumentation Calibration Submittal** – This item is closed with no costs/time per the Contractor's request. **No Costs – No Additional Time.**

- **Item #161 – Deletion of Blower Building Stairs – RFI #548, RFP #60** – The two small stairs were deleted from the project and the Contractor offered a credit proposal and the available stair treads which was accepted by the CM and Owner. Deduct $543.00 **– No Additional/Deleted Time**.

- **Item #162 – Fire Detection System to Initialize Dry Fire Suppression System** – This is a duplicate of Item #158 resolved. **No Costs – No Additional Time**.

- **Items #163 – Circuit Breaker Changes – RFI #545** – The Contractor's request for costs to install a 30 Amp circuit breaker in Unit 12CL of MCC-B6 was rejected. This was found to be a coordination issue between the Contractor's Subcontractors – Electrical and HVAC. **No Costs – No Additional Time**.

- **Item #164 – Electrical Ductbank Conflict @ EJB#1 – RFI #555 – NOIC #076** – The Contractor submitted a Proposed Change for a ductbank conflict at EJB#1 in the magnitude of $202,000 - $272,000. The CM rejected this claim [7/13/09] on the basis of the Contract Drawings which clearly showed this existing Ductbank (Y-19 & Y-36), the Contract Specifications which clearly discuss protecting existing utilities and ductbanks, and Item #149 above. **No Costs – No Additional Time.**

- **Item #165 – Air Flow Monitoring Ports at Aeration Basins – RFI #550** – In response to the RFI response, fourteen (14) air flow monitoring ports, included welded couplings, were added to the Contractor's Scope of Work. A final proposal for the added work was found to be fair and reasonable by the Engineer and Construction Manager. **Add $6,410.00 – No Additional Time**.

- **Item #166 – Valve 04-VLV-075 & 076 Orientation as discussed in RFI #561** – These valves needed to be relocated to make the electrical terminations accessible from the walkway. A final proposal for the added work was found to be fair and reasonable by the Engineer and Construction Manager. **Add $5,432.00 – No Additional Time.**

- **Item # 167 – Modification to Digester Gas Drain Box – RFP #61** – At the Owner's request, changes were made to the referenced box, as shown on Contract Drawings Y-27 & Y-57, that both removed and added scope of work. The net change offered by the Contractor and corrected by the CM was accepted by the Owner. **Add $158.00 – No Additional Time**.

- **Item #168 – Deletion of Special Coatings inside of EJB #1, EJB #2 and the Mixing Structure – RFI #563** – An RFI was issued requesting the deletion of the special coatings within the three structures and the request was approved by the Engineer and Owner. The Contractor's proposed credit to the City was found to be fair and reasonable by the Engineer and Construction Manager. Deduct $109,449.00 – **No Additional/Deleted Time.**

- **Item #169 – DAFT Bilge Sump Pump – RFI #542** – In lieu of installing two (2) sump pumps as called for in the existing pit due to size constraints, only one pump is to be installed and the second pump turned over to the Owner (City) as a spare. **No Costs – No Additional Time**.

- **Item #170 – Weather Related Time Extension** – In response to the Contractor's request for a Time Extension (4/30/09), the Construction Manager and Owner agreed [7/6/09 – Final] a non-compensable time extension would be in the best interests of the Owner, the Contractor and the Project and would include the withdrawal of Claim Item (PCO) #155 as stated under Item #155 above by the Contractor and would be in accordance with the CM letter to Contractor, dated 7/6/09 and incorporated herein by reference, regarding Items (PCO's) #170 and #155. See CM letter to Contractor dated 7/6/09 and filed in Item (PCO) #170 and 155 files. **No Costs – Add 61 Calendar Days**.

- **Item #171 – Extended Warranty on Coatings in AB-10, bays 1-4** – It has been agreed to by all parties involved for the City to receive a two-year warranty on the coatings (as referenced) from the Contractor, Painting Subcontractor and Paint Supplier due to an issue that developed in the specified Basin Bays. The extended warranties to be furnished to the City prior to final payment. **No Costs – No Additional Time.**

- **Item #172 – Packscan Master Station No. I – RFI #554** – The Contractor requested a change to mount the specified Master Station in an enclosure and to run an additional 120-volt circuit. The Documents clearly called for the Master Station to be furnished and installed but no details were shown or called

out and no circuit was provided for this master station. An RFI was issued and the response from the Engineer provided a specific enclosure type and to add a conduit and wire for this unit. **Add $1,822.00 – No Additional Time**.

- **Item #173 – Circuit Breaker Testing** – This item was rejected by the Construction Manager as it related to, and was resolved with, Item #157 above. **No Costs – No Additional Time**.

- **Item #174 – 6" SSC Tunnel B North to South Relocation** – This item was initially set up to be a no cost change (per the Owner and Contractor) to relocate the subject line from the North side of the Tunnel to the South Side. Further investigation and a request from the Owner closed this item out and established a new Item #178 to deal with requested changes and costs. **No Costs – No Additional Time.**

- **Item #175 – Chemical Seals for Pressure Switches – NOIC #078** – It was determined, by the Engineer, that diaphragm seals would be required at three (3) pressure switches (two WAS pumps [PSL-550 & 551]and a Bottom Sludge Transfer Pump [PSH-234]) but were not called for in any of the "Contract Documents". The Contractor's proposal was found to be fair and reasonable for the addition of this work by the CM and City. **Add $5,912.00 – No Additional Time**.

- **Item #176 – Revised Mortise Locksets – RFP #62** – At the Owner's request, an RFP was issued requesting a proposal to provide Stanley Best locksets with function type AT on all project doors. The Contractor's proposal was reviewed and the Owner decided not to make the change but to proceed with the locksets required in the "Contract Documents". **No Costs – No Additional Time**.

- **Item #177 – External Stair at DAFT Polymer Facility – RFI #574 - RFP #64 -** To comply with CAL OSHA requirements, a concrete stair and landing had to be added to at the facility to accommodate the ladder. The Contractor's proposal was reviewed, adjusted and accepted as reasonable for the work involved. **Add $3,282.00 – No Additional Time**.

- **Item #178 – Connection of New 6" SSC to Existing 6" PSC – RFP #63 – See above item #174** – At the Owner's request, modifications were made to the subject line so it could be routed to both the scum wet well and to the Primary Influent Flow Structure. The Contractor's proposal was reviewed and accepted by the CM and Owner. **Add $13,607.00 – No Additional Time.**

- **Item #179 – Replace Water Gong @ Blower Building #2 – RFP #65** – The Owner requested the Contractor to replace an existing broken Water Gong at the subject building. The Contractor's proposal was found to be reasonable and acceptable to the CM, Client and the Fire Department. **Add $1,297.00 – No Additional Time**.

- **Item #180 – SSPS Grout Fillets** – The Contractor did not place the required grout fillets in the Secondary Scum Pump Station as required and the required coatings were completed before it was noticed the fillets were missing. The

Owner agreed to forgo the required fillets in lieu of a credit. The Contractor offered a credit of $599.00 which the Owner agreed to accept. Subsequently it was agreed to offset this credit against the added costs associated with previous item #107. **No Costs – No Additional Time**.

- **Item #181 – DI Water Credit –** Credit was to be given to City for savings, because Contractor did not have to provide DI Water to fill the hot water loop as required due to construction coordination with a City shut-down of the loop. In lieu of a credit, Contractor provided comparable value of a dump truck and driver to emergency fill Canal leaving mixing structure. **No Costs – No Additional Time.**

- **Item #182 – Current Switches for Fans – RFP #66** – The required current switches for the Supply and Exhaust Fans turned out to be the wrong switches for the application and would not operate the fans as required by the Contract Documents or the Fire Department requirements. The Request for Proposal required the furnishing and installation of 15 different current switches for the subject units. The Contractor's pricing was found to be fair and reasonable by the CM and Owner. **Add $5,709.00 – No Additional Time**.

- **Item #183 – Chemical Seals for Pressure Switches** – This was set up in error; is a duplicate of Item #175, and closed. **No Costs – No Additional Time**.

- **Item #184 – Revised Irrigation/Landscaping Scope – RFI #184 – NOIC #80** – A meeting was held on October 20, 2009 between the City, the Contractor and Contractor's Landscaping/Irrigation Subcontractor to review and finalize the Landscaping required around the Digester Complex and added an Area North of the New Sedimentation Basins. An agreement was reached which added a new area, decreased some planting materials, added sprinkler heads and included sod in the areas previously scheduled for hydro seeding. The proposed additional cost and no additional time was agreed to by the Owner, Contractor and Subcontractor. **Add $16,511.00 – No Additional Time**.

- **Item #185 – DG Line Conflict – RFI #576 – NOIC #81** – This issue involves two associated items, (1) the conflict between the subject line and a duct-bank in the way, and (2) the requirement to make the new connection under "hot" conditions as there is no provisions to isolate the existing line. After numerous discussions, negotiations and documentation, the CM and Contractor came to an agreement on the value of the extra work involved and the City agreed. **Add $53,137.00 – No Additional Time**.

- **Item #186 – DCB Plug Valve Solenoid (Coil) Voltage – NOIC #082** – A contract discrepancy existed between the electrical requirements and the equipment requirements for the subject plug valves. The Solenoid (coils) needed to be changed from 110 volt AC to 24 volt DC to operate the valves. The Contractor was directed to make the change and Contractor's price proposal was reviewed and found to be fair and reasonable. **Add $1,827.00 – No Additional Time**.

- **Item #187 – Thickener Effluent Box 18" TE Elevation – NOIC #083 – RFP #067** – This issue came to light during the startup of the DAFT's when it was determined standpipes were needed but not shown or called for on/in the Contract Documents but existed on the existing units. The Contractor was directed to proceed with the installations on a Time and Material basis. The Contractor's final proposal was reviewed, adjusted due to a lack of timesheets submitted and CM daily records and found acceptable for the work performed. **Add $31,324.00 – No Additional Time**.

- **Item #188 – 8" TWAS – Design Clarification #8 – NOIC #084** – This item required the re-connection of the 8" TWAS line from an abandoned pipe to the correct pipe as the original information furnished was ambiguous at best and not sufficient to connect to the right one out of four. The Contractor's proposal was found to be fair and reasonable noting that it was harder to complete at this time then it would have been to do it to the right pipe initially because of additional work that got in the way. **Add $4,263.00 – No Additional Time**.

- **Item #189 – TCB Sump Pump Air Vac** – Contractor resolved and withdrew request for additional costs for rerouting piping because relocation of Air Vac eased installation and offset costs. This item was reviewed in the field and found to be a no cost/credit – no time issue. **No Costs – No Additional Time.**

- **Item #190 – 12" Valve for 1W tie-In East of Digester 13** - The Owner requested a 12" MJ Gate Valve for the 1W tie-in east of Digester 13 be installed in addition to the tie-in. The Contractor's proposal for an additional $4,204.00 for furnishing and installing this valve was found fair and reasonable. **Add $4,204.00 – No Additional Time.**

- **Item #191 – Siemens vs. Simplex Fire Alarm Communication** – The Contractor and its Electrical Subcontractor raised a cost issue concerning communications between the specified system and the Plant's current system. After the CM reviewed previous meeting notes, the applicable specification and discussed same with the Contractor and Subcontractor, this issue was settled at no cost. **No Costs – No Additional Time**.

- **Item #192 – Containment Area Coatings** – The Contractor offered a credit to delete the coatings specified in the Polymer Containment Areas. A review of their value indicated a fair credit would be acceptable to the Owner. **Deduct $9,670.00 – No Additional/Deleted Time.**

- **Item #193 – Polymer Containment 2nd Eyewash Station by Thickener** - The Contractor offered a credit to delete the second eyewash station specified in one of the Polymer Containment Areas. A review of its value indicated a fair credit would be acceptable to the Owner. **Deduct $1,575.00 – No Additional/Deleted Time**.

- **Item #194 – Requested Time Extension** – Rejected by CM. Revisited at final contract closeout. Closed. Refer to Project Closeout Agreement Below. **No Costs – No Additional Time.**

- **Item #195 – 87T Relay –** This issue turned out to be a wiring error in the Contractor's Vendor supplied units and not a design issue; confirmed twice by Engineer and the electrical consultant. **No Costs – No Additional Time.**

- **Item #196 – Overflow Scuppers at the Thickener Control Building required by the City Development Department for an Occupancy Permit – RFP #069 –** This work was not in the Contractor's scope of work but the City requested Contractor have its roofing Subcontractor install the overflow scuppers. The Contractor's price was reviewed and accepted. **Add $6,478.00 – No Additional Time.**

- **Item #197 – Rewire the Control Operators in the front door of LCP-13 to match the physical locations of the equipment being controlled –** This was a 'show-stopper' that needed to be corrected before the Digester Complex was put on line. **Add $2,871.00 – No Additional Time.**

- **Item #198 – The BS lines in Tunnel H had to be rerouted.** This extra work was done on a T & M Basis. **Add $9,320.00 – No Additional Time.**

- **Item #199 – Adding 4 blind flanges in the new RAS/WAS wet well** – No blind flanges were called for in/on the Contract Documents and the Owner asked that they be added to ease future expansion. This added work was performed on a T & M basis. **Add $5,504.00 – No Additional Time**.

- **Item #200 – Replace Utility Vaults for valves at 04-VLV-070 and 071** – The valve boxes called out on the plans did not meet current code requirements and the Owner directed the Contractor to install larger concrete boxes to meet code as extra work on a time and material basis. **Add $17,308.00 – No Additional Time.**

- **Item #201 – Existing Fuel Tank by the Existing Blower Building #2 –** The tanks were originally shown to be removed on the Drawings but the Owner requested they be left in place. Had the tanks been removed, there would have been some electrical work required so this was agreed to as a no cost change. **No Costs – No Additional Time**.

- **Item #202 – Deletion of DAFT 3 & 4 landscaping –** It was decided by the Owner major work was going to take place on the DAFT through the addition of stairs to the north of DAFT 3 and south of DAFT 4. This work would have destroyed the landscaping. Therefore, the Owner decided to remove it from the Contract Documents. **Deduct $4,000.00 – No Additional/Deleted Time**.

- **Item #203 – Special Inspections Re-inspections –** During the course of the Work for the project a cumulative running total was maintained for failed inspections and inspections which were called for but the Contractor was not ready when the inspector arrived. **Deduct $20,224.00 – No Additional/Deleted Time**.

- **Item #204 – DAFT 3 & 4 Survey** – Due to inconsistencies, the DAFT installations required additional inspection for relative elevations. The

inspection included the weirs, weir walls and the scum boxes. Deduct $2,632.00 – **No Additional/Deleted Time**.

- **Item #205 – Repair of 2 level sensors by the Owner** – The Contractor and Owner agreed Contractor would reimburse Owner for performing repairs associated with 2 ultrasonic level indicators in lieu of performing the work. Refer to City work orders 1006988 and 1007582. Deduct $5,504.00 – **No Additional/Deleted Time**.

- **Item #206 – Addition of an S-3 with T-Lock Lining in the PD line from Digester Control Building #4** – The new plant drain line running from the new digester control building #4 was installed with a negative slope and will cause sediment to build up. The addition of a manhole will enable the line to be easily cleaned of sediment. The Contractor has agreed to have the City install the manhole with the agreed upon credit. Deduct $16,565.00 – **No Additional/Deleted Time**.

- **Item #207 – Additional Manufacturer site DAFT testing** – It was agreed further testing was not required because the DAFT's currently are operating much more efficiently than the specifications require. Deduct $15,000.00 – **No Additional/Deleted Time**.

TOTAL SUPPLEMENTAL WORK FOR CHANGE ORDER NO. 4 - $248,984.00

SUPPLEMENTAL WORK RESOLUTION

Resolution of the Force Account Allowance contained in the Bid Proposal – The bid documents contained an allowance ($500,000.00) for Owner approved changes to reimburse the Contractor for additional work performed prior to an executed Change Order being completed. Once a Change Order was executed, it became a separate pay item on the Pay Request and the Force Account Allowance returned to the full value of $500,000.00. With this, the final Change Order, if the total supplemental work (i.e., $248,984.00) does not exceed the full value of the account, the result is a credit to the Owner for the difference between the full force account value ($500,000) and the value of changes authorized and included in the final Change Order. Deduct $251,016.00 ($500,000.00 - $248,984.00).

PROJECT CLOSE OUT AGREEMENT

Project Closeout Agreement – Agreement reached to settle the outstanding items associated with the construction of the Organic Upgrade project. Contractor and City agree that this settles all outstanding items (including, without limitation, PCO Item # 194), impacts, claims, etc., associated with the construction of the Organic Upgrade project.

Contractor hereby waives any right to prompt payment penalties, if any, under the California Public Contract Code, if applicable, or as otherwise may be related to the Project. The Contractor hereby waives any right to additional compensation for Owner caused delay periods, if any, associated with the Work on this Project. The Owner hereby waives any right to additional compensation for Contractor caused delay periods, if any, associated with the Work on this Project. In agreeing to the mutual waivers provided for herein and only to the extent of such waiver, the parties agree to expressly waive any and all rights and benefits conferred by the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> **"A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor."**

Subject to the above waivers, it is currently agreed by both parties that installation of all equipment on this Project was substantially completed on or before April 20, 2010 and that the warranty start dates for specified equipment are as set forth in the attached schedule entitled "BENEFICIAL USE/WARRANTY START DATES" which is incorporated herein by reference. If requested by the Contractor, the City will provide a letter of recommendation by and with the Assistant Director of Public Utilities, Wastewater Division, identified as the contact for inquiries. With this closeout agreement, the Owner agrees to grant Contractor an extension of 202 calendar days for avoidable delay and Contractor agrees to compensate Owner $175,000.00 therefore in accordance with the Contract Documents. As a further condition of this closeout agreement, promptly upon receipt of final payment by City in accordance with this Change Order No. 4, Contractor agrees to execute and provide City with an "Unconditional Waiver and Release Upon Final Payment" substantially in the form contained in California Civil Code section 3262, as set forth in full on page 14 of this summary of changes, with a zero dollar amount for disputed claims for extra work. Contractor shall also require execution of such an "Unconditional Waiver and Release Upon Final Payment" from each of its subcontractors for whom payment is requested and provide same promptly upon receipt of final payment by City in accordance with this Change Order No. 4. **Deduct $175,000.00 – Add 202 Calendar Days**.

DISPUTE REVIEW BOARD

Elimination of the Dispute Review Board – It is agreed by both parties with final closeout of the Project that establishment of a Dispute Review Board was unnecessary for the resolution of all claims and disputes in reaching the closeout agreement and all requirements for a Dispute Review Board are deleted from the contract. **Deduct $50,000.00.**

End of Items to be Included in Change Order No. 4

This Change Order Represents Full and Final Consideration for the Items Listed above, including any and all delays, disruptions and impacts.

Total Cost Change this Change Order No. 4 is a Deduct (Credit) – <$476,016.00>

Total Additional Time this Change Order No. 4 – 267 Calendar Days

Form of Waiver and Release pursuant to California Civil Code section 3262 and this Change Order No. 4:

UNCONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

(NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.)

The undersigned has been paid in full for all labor, services, equipment, or material furnished to the City of Fresno on the job of the Fresno/Clovis Regional Wastewater Reclamation Facilities Organic Upgrade Project - Bid File No. 2621 located at 5607 W. Jensen Avenue, Fresno, California and does hereby waive and release any right to a mechanic's lien, stop notice, or any right against a labor and material bond on the job, except for disputed claims for extra work in the amount of $ - 0 - .

Dated: _____ _____
(Company Name)

By _____

Title _____

City of Fresno
Project No. 6617A.15
Organics Upgrades Project

BENEFICIAL USE / WARRANTY START DATES

Process Area	Date
Liquid Stream	
Aeration Basin 9 & 10 Piping & Instrumentation	January 29, 2010
Aeration Basin 9 & 10 Water Systems	January 29, 2010
Aeration Basin 9 & 10 Air Systems	January 29, 2010
Aeration Basin 9 & 10 Polymer Storage & Blending Unit System	January 29, 2010
Secondary Sedimentation Basin 14-17	January 29, 2010
Secondary Scum Pump Station No. 2	January 29, 2010
Tank Drain Pump Station No. 2	January 29, 2010
RAS / WAS Pump Station	January 29, 2010
RAS / WAS Pump Station - Fire Alarm	January 29, 2010
Effluent Junction Box No. 1	January 29, 2010
Effluent Junction Box No. 2	January 29, 2010
Mixing Structure	January 29, 2010
Site Work	January 29, 2010
DAFTs 3 & 4	
DAFT No. 3 & 4 System	April 20, 2010
DAFT No. 3 & 4 Polymer Facility	April 20, 2010
Thickener Control Building No. 2 Modifications	April 20, 2010
Thickener Control Building No. 2 Modifications - Fire Alarm	April 20, 2010
Thickener Head Box	April 20, 2010
Site Work	April 20, 2010
Blower Building No. 2	
Blower Building No. 2 System	December 25, 2009
Blower Building No. 2 System - Fire Alarm	December 25, 2009
Trench 'H'	December 25, 2009
Site Work	December 25, 2009
Digester 13, Digester Complex 4	
Digester No. 13	November 4, 2009
Digester No. 13 Control Building	November 4, 2009
Digester No. 13 Control Building - Fire Alarm	November 4, 2009
Site Work	November 4, 2009
Other	
Landscaping and Irrigation - Digester Area	November 25, 2009
Landscaping and Irrigation - Aeration Basin Area	March 19, 2010
Landscaping and Irrigation - Secondary Sedimentation Basin Area	November 25, 2009

URS

July 6, 2009 (Final)

Harry Cosmos
Senior Project Manager
F/C RWRF Org Up Project
J.R. Filanc Construction Company, Inc
5607 West Jensen Avenue
Fresno, California 93706

Re: Resolution of Claims and Disputes:
PCO #170 – Request for a Time Extension and
PCO #155 – Fire Riser Incident @ BB #2

Subject: Filanc's Request for Time dated 4/30/09

Dear Mr. Cosmos:

In response to Filanc's request, we have reviewed the information submitted, reviewed applicable portions of the Contract Documents [between Filanc and the City of Fresno], and reviewed our own records including specifically the Coatings Specialty Inspector's (BACC) daily reports. The Construction Manager has concluded a no cost time extension would be in the best interests of the Owner and the Project (General Condition 5.05 – Claims And Disputes, Article G. 1.).

In reviewing the information presented, the Specialty Inspector's daily reports confirm the days lost due to unfavorable weather conditions, even though the weather during the time frame presented was not out of the norm for weather historically recorded at the project site. The issue is Critical Activities on the Contractor's Approved Construction Schedule, specifically the specialty concrete coatings (CN1-09340, CN1-10340 and CN3-67340) were adversely affected by the weather during the time frame presented. This impact directly affected the critical path by postponing other critical activities until the coatings work was completed.

After reviewing the Contract Documents and in particular General Conditions 5.03 – Change Of Contract Time and 5.05 – Claims and Disputes, the Construction Manager herein recommends it is in the Owner's best interest to grant a non-compensable time extension of **Sixty-One (61) Calendar Days** to the Contractor under the following conditions:

URS Corporation
5607 West Jensen Avenue
Fresno, CA 93706-9458
Tel: 559-577-1630
Fax: 559-577-1637
www.urscorp.com

- The **Contractor** acknowledges and agrees that no monetary considerations including, but not limited to, overhead, extended overhead, impacts, staff costs and/or any others costs are associated with this time extension (this is a no-cost time extension);
- The **Contractor** acknowledges and agrees to withdraw PCO #155 and waive any related claims associated claims with the Blower Building Fire Riser Incident and to complete all corrections in accordance with the Contract Documents at no additional cost or additional time to the Owner. Corrections shall include, without limitation, cleaning, repairing, replacing items if necessary, testing, startup and warranting the Cutler-Hammer equipment affected by the incident by a specialty company experienced and certified in this type of work.
- The **Contractor** acknowledges and agrees all contract work will be completed and the facility will be up and running for the beneficial use of the City by July 31, 2009. Additionally, all cleanup and demobilization will be completed by August 31, 2009.

We trust the above is a fair and equitable resolution to the issue raised and will proceed to include this into pending Change Order #4 so it can be executed and approved by the parties. As always, nothing herein shall be deemed an admission, express or implied, against Owner's interest or a waiver by Owner of its rights or remedies under the Contract or as provided by law.

Sincerely,

URS Corporation

Edward D. [ED] Cohen
Senior Construction Manager

cc: Kevin Norgaard, City of Fresno
Tim Murchison, URS Corporation
File