

**Information to be included in all Legislation Modifying a Contract:**

- 1. The names, location by City/State and status of all companies submitting a competitive bid or submitting an RFP or RFSQ for the original contract.**

<u>Name</u>	<u>City/State</u>	<u>Majority/MBE/FBE</u>
A. Crace Construction Company, Inc.	Piketon, Ohio	Majority
B. Kokosing Construction Company, Inc.	Columbus, Ohio	Majority

- 2. The name, address, contact name, phone number and contract number of the firm awarded the original contract.**

Crace Construction Company, Inc., P.O. Box 535, 316 Main Street, Piketon, Ohio 45661  
Contract No. EL005858  
Contact Person: Alan E. Crace, (740) 289-4118

- 3. A description of work performed to date as part of the contract and a full description of work to be performed during any future phasing of the contract.**

The contract with Crace Construction Company, Inc. is for Contract S66 – Digester Rehabilitation and is the second phase of construction under this CIP project. This contract will provide for extensive improvements to the sludge digestion process systems at the Southerly Wastewater Treatment Plant. Improvements include: rehabilitation of the six existing sludge digester tanks; construction of three new sludge digester tanks; installation of new process equipment including piping, valves, pumps, grinders, mixing systems, and boilers; rehabilitation of the existing Sludge Control Building; and demolition of process facilities that are to be replaced or are no longer needed. It was planned that this contract could be modified to provide needed monies, if necessary, for any anomalies in the work which may become evident as the work progresses.

- 4. An updated contract timeline to contract completion.**

The Contract Notice to Proceed was issued March 20, 2006. Substantial Completion of construction, defined as completely operational building and process systems, was originally scheduled for May 18, 2008, and is now projected to occur February 10, 2009. Final Completion of construction, defined as all work being complete, was originally scheduled for June 18, 2008, but is now projected to occur on May 1, 2009. Construction is currently on-going. Extension of the duration of the contract has been primarily caused by unforeseen additional special coatings work on the digester covers, additional electrical work, increased capacity of steam injectors, a time extension due to unforeseen long lead time for delivery of glass-lined pipe and the condensate pump, additional chemical feed equipment for the boiler water system and additional effort for project scheduling and management, and other associated costs of needed additions to the contract work that have become necessary to complete the Digester Rehabilitation construction.

All identified known needed work additions are defined and priced, and this modification provides sufficient funding for the contract work anticipated as of this modification.

**5. A description of any and all modifications to date including the amounts of each modification and the Contract Number associated with any modification to date. (List each modification separately.)**

Modification No. 1: \$2,000,577.00 (EL008681; Ord. No. 1115-2008, passed July 28, 2008)

Modification No. 1 provided needed additions to the contract work for electrical improvement modifications, incinerator building piping revisions, and the settlement of the contractor's claims for unforeseen additional special coatings work on the digester covers, repair of concrete in the existing digester overflow pits and increased capacity of steam injectors and other associated costs of needed additions to the contract work that have become necessary to complete the Digester Rehabilitation construction. The modification provided an additional contingency amount of \$2,000,577.00 to fund known costs that would exceed the original contract contingency amount.

Since there is additional identified work, in addition to that covered by Modification No. 1, it has been determined that a planned modification will be needed in the near future to provide additional funding to the project once a dollar value can be negotiated between the Department of Public Utilities and Crace Construction Company, Inc.

**6. A full description of the work to be performed as part of the proposed contract modification. (Indicating the work to be a logical extension of the contract is not sufficient explanation.)**

Proposed Modification No. 2: \$2,499,619

This modification is the planned modification to provide additional funding to the project for the identified, necessary work not included in Modification No. 1 and the dollar value for this work has now been agreed upon. The total cost of this work is greater than the remaining contract contingency amount. The specific work beyond current funding is based on needed additions to the contract work, which includes the global settlement of all known and open claims, time delays, inefficiencies, and schedule impacts through September 5, 2008, electrical improvement modifications, emergency eyewash modifications, process pipe layout revisions, boiler room louver modifications, biogas foam separator code modifications, and other associated costs of needed additions to the contract work that have become necessary to complete the Digester Rehabilitation construction, the total of which would exceed the contract contingency amount.

<u>Item No.</u>	<u>Description</u>	<u>Cost</u>
Global MOU	Global Settlement for delay Claims on RFPs -009 and -030: Steam Injectors size increase, Time Delay for RFPs -004, -009, -012.2, -017 thru -024, and painting claim.	\$1,258,291
RFP-025	Addresses electrical changes for relocated eyewash and Chemical feed equipment.	\$50,000

RFP-026	Provides for relocated emergency eyewash, chemical feed equipment, drain piping changes and blow down piping changes.	\$197,000
RFP-027	Louver and damper changes in SCB	\$3,000
Pending Changes	to be included in RFPs, including: Change ceiling from painted to drop ceiling, provide for the extra cost to create a Completion Schedule, additional labor for heat exchanger to function properly, Special Coatings Subcontractor's premium time to prevent weather delays, rotate valves to improve accessibility, provide larger Condensate Pumps Control Panel, provide extra swivel joint supports on Digester Cover, repair existing pressure relief valves in Digesters, and provide steam injectors' electrical service.	\$829,554

The additional items identified above total, \$2,337,845.00.

\$2,986,400.00	- Original Contract S66 Contingency Amount
+ \$2,000,577.00	- Modification No. 1
\$4,986,977.00	- Total Contingency
- \$2,957,042.00	- Approved Change Orders
- \$1,691,709.00	- Change Orders No. 5, 6 & 7 (in the Approval Process)
\$338,226.00	- Remaining Contingency
\$2,337,845.00	- Total for additional items identified above
- \$338,226.00	- Remaining Contingency
\$1,999,619.00	- Projected Contingency Shortfall
+ \$500,000.00	- Additional contingency amount for additional work needed as a result of equipment start-up, commissioning and operational demonstration
\$2,499,619.00	- Total Additional Contingency needed

Modification No. 2 provides the additional amount of \$2,499,619.00, in order to provide the above work items and claims settlement.

**7. If the contract modification was not anticipated and explained in the original contract legislation a full explanation as to the reasons the work could not have been anticipated is required. (Changed or field conditions is not sufficient explanation. Describe in full the changed conditions that require modification of the contract scope and amount.)**

In any construction project changes to contract work are expected. Some reasons for additional work include: 1) details of equipment and systems specified to be provided are reviewed and sometimes refined during construction in order to provide a facility that is optimally configured for operation and safety; 2) components of the existing facility are concealed and conditions cannot be accurately determined prior to contract work; 3) latent errors or omissions may exist in the design.

**8. An explanation of why the work to be performed as part of the contract modification cannot be bid out. (Indicating the work to be a logical extension of the contract is not sufficient explanation.)**

The funding provided by this contract modification is for completion of the existing work of the contract. It is not deemed either feasible or reasonable to suspend work with the entity currently under contract, and undertake continuation of the work under a new procurement. The lengthy process for initiating a new procurement, and for a new entity to gain understanding of the project, would likely cause an unacceptable project delay and consequent additional cost to the City to settle the legitimate claims for such delay.

**9. A cost summary to include the original contract amount, the cost of each modification to date (list each modification separately), the cost of the modification being requested in the legislation, the estimated cost of any future known modifications and a total estimate of the contract cost.**

Original Contract	\$32,940,400.00
Modification No. 1	\$ 2,000,577.00
Proposed Modification No. 2	<u>\$ 2,499,619.00</u>
CONTRACT TOTAL	\$37,440,596.00

**10. An explanation of how the cost of the modification was determined.**

The current remaining balance of Contingency is insufficient to fund the \$2,337,845.00 in additional work items and resolved claims, as shown above.

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\$4,986,977.00	- Total Contingency
- \$2,957,042.00	- Approved Change Orders
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\$2,499,619.00	- Total Additional Contingency needed

Modification No. 2 provides the additional amount of \$2,499,619.00, in order to provide the above work items and claims.

**11. Sub-Consultants identified to work on this contract:**

The following Sub-contractors have been identified by the Contractor:

- A. Lake Erie Electric, Franklin, OH

- B. Koehring & Sons, Indianapolis, IN
- C. Veteran Process Piping, Waverly, OH
- D. Sampson Maintenance Services, Inc., Youngstown, OH
- E. Harold J. Becker, Dayton, OH
- F. J.E. Ragland Construction Company, Jackson, OH
- G. Amelcon. LLC, Westerville, OH
- H. Farber Corporation, Columbus, OH
- I. Howard Painting Inc. , Defiance, OH

Note: The Contract should be considered to include any and all work that is anticipated to be awarded to the company awarded the original contract throughout the contract/project timeline. This includes the original contract and any and all future anticipated modifications to the contract to complete the contract/project.

7-20-07