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COMMISSION

AGENDA MEMORANDUM Item No. 8c

ACTION ITEM Date of Meeting July 12, 2022

DATE: June 30, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Tina Soike, Engineering Director, Engineering, Environment and Sustainability

Janice Zahn, Assistant Engineering Director, Construction Services

SUBJECT: Industrial Waste System – Segregation Meters (CIP #800655) Change Order Time Extension Over 60 Days

Amount of this request: \$0

Total estimated project cost: \$3,889,000

ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0319775 IWS Segregation Meters to add up to 109 Calendar days to the Contract Duration to reconcile the contractual completion date to the actual completion date.

(CIP #C800665)

EXECUTIVE SUMMARY

This change order requires the addition of up to 109 calendar days to the Contract Duration. Commission action is required under the General Delegation of Authority because the additional time being added to the contract is over 60 calendar days. No additional project funding is included with this request.

Description of Change

This change order will revise the contract completion date and settles all claims due to Port and Contractor impacts to the project schedule.

Background

The 2016 King County permit required the Port to identify measures to meet future reduced effluent limitations. This Industrial Waste System Segregation Meters project is the first of a series of approved capital program improvements to improve the Industrial Waste Treatment Plant efficiency and comply with the 2025 reduced effluent limitations. The project installed four (4) additional Total Organic Carbon analyzers to provide the required data precision needed for effective segregation of influent.

Template revised January 10, 2019.

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On April 20, 2021, the Port executed a construction contract with Macro-Z-Technology Company in the amount of \$1,644,000.00 with a contract completion date of October 17, 2021. The Contract has experienced cost and schedule growth, due to several Change Orders for design changes to accommodate differing site conditions, and operations and maintenance requirements. Additionally delays in delivery of critical material occurred due supply chain issues for which the Contractor is entitled to additional time. As a result, actual Substantial Completion was not issued until February 3, 2022, 109 days after the original contract completion date. Discussions with the Contractor are ongoing, but upon agreement, this Change Order will encompass any credit due to the Port for any impacts to the Port and additional time and cost due the Contractor.

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not authorize the issuance of the Change Order, continue further Dispute Resolution Processes.

Pros:

(1) Further negotiations may result in a larger credit back to the Port.

Cons:

(1) Delays project closeout and increase Port costs to continue negotiations.

(2) Creates a risk of potential for litigation.

(3) Additional staff soft costs, potential legal expenses.

This is not the recommended alternative.

Alternative 2 – Authorize the issuance of the Change Order to extend the Contract duration by up to 109 days. If executed, this will be the final Change Order on this project and will settle all outstanding claims between the Contractor and Port.

Pro:

(1) Settles all claims between the Port and Contractor and allows contract close-out to commence.

Cons:

(1) Eliminates potential additional credit to the Port.

This is the recommended alternative.

ATTACHMENTS

None.

Template revised June 27, 2019 (Diversity in Contracting).

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PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

February 9, 2021 The Commission authorized a budget increase of \$1,615,000 for the design and construction for an estimated total cost of \$3,889,000.

June 27, 2017 The Commission authorized design and construction for an estimated cost of \$1,142,000.

Template revised June 27, 2019 (Diversity in Contracting).