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#### COMMISSION

AGENDA MEMORANDUM Item No. 8d

ACTION ITEM Date of Meeting July 12, 2022

DATE: June 14, 2022

TO: Stephen P. Metruck, Executive Director

FROM: Tina Soike, Director Engineering Services

Janice Zahn, Assistant Director Engineering, Construction Services

SUBJECT: WTCW HVAC Replacement (CIP: C800199) 60 Days

#### ACTION REQUESTED

Request Commission authorization for the Executive Director to execute a change order to Contract MC-0320086 World Trade Center West HVAC Replacement Project to add up to 100 Calendar days to the Contract Duration to reconcile the contractual completion date to the actual completion date.

#### EXECUTIVE SUMMARY

This change order requires the addition of up to 100 calendar days to the Contract Duration. Commission action is required under the General Delegation of Authority because the Change Order includes a time extension of more than 60 days. No additional project funding is included with this request.

#### Description of Change Order

This change order revises the contract completion date due to supply chain impacts to the project schedule.

#### Background

This project at the WTCW building will provide an energy efficient and sustainable replacement for the building's existing 22-year-old mechanical system.

On January 22, 2021, the Port executed a construction contract with Johansen Mechanical, Inc. in the amount of \$2,798,000. The Contract has experienced some cost and schedule growth due to unidentified conditions in the Basis of Design which have extended the current Contract completion date by 36 days to April 8, 2022. On 1/19/22, the Port executed Change Order #02 which directed the contractor to upgrade the current fire alarm system. This was a discretionary change added to the scope of this project to minimize future (and greater) impacts to the Central Waterfront Elevator Upgrade Project which would require the upgraded system in order to complete work at the Bell Street Elevator. As a part of upgrading the current HVAC system, fire alarm work was required so rather than have the HVAC project complete it's work only to be undone immediately afterward by the Elevator project, the scope to upgrade the alarm panel

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was transferred to HVAC. Supply chain issues related to worldwide disruptions delayed the delivery of the fire alarm components until May of this year. The fire alarm system upgrade was completed on May 26, 2022. Final functional testing, commissioning needed to be held until after the fire alarm was completed. Those activities are on-going but will be completed shortly. The current value of the Contract is \$2,983,556.17.

#### FINANCIAL IMPLICATIONS

There is no additional funding being requested with this action.

#### ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Do not authorize the issuance of the Change Order.

Pros:

(1) None.

Cons:

(1) Delays project closeout and increases Port costs to close out the project.

(2) Creates a risk potential for litigation due to Contractor's protest of the assessment of Liquidated Damages.

(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 100 days. If executed, this will be the final Change Order on this project and will settle all issues between the Contractor and Port.

Pro:

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

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

None

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**PREVIOUS COMMISSION ACTIONS OR BRIEFINGS**

July 14, 2020 The Commission authorized and approved Design and Construction funding for the project.

January 12, 2021 The Commission authorized additional funding of \$555,000 for design and construction.

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