GUAM CONSOLIDATED COMMISSION ON UTILITIES
RESOLUTION NO. 29 – FY2015

RELATIVE TO APPROVING CHANGE ORDER NO. 2 RELATIVE TO THE
MODIFICATION OF THE CONSTRUCTION MANAGEMENT CONTRACT WITH
STANLEY CONSULTANTS FOR PHASE I OF THE GWA SYSTEM METERS
PROJECT

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities
(“CCU”) has plenary authority over financial, contractual and policy matters relative to the
Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation
established and existing under the laws of Guam; and

WHEREAS, Resolution No. 15 – FY2014 authorized GWA to contract with Rex
International Corp. to construct Phase I of the GWA System Meters Project that is intended to
provide system flow data for better understanding of the water system; and

WHEREAS, the GWA General Manager approved the Construction Management
(“CM”) contract for this project with Stanley Consultants, Inc. in the amount of One Hundred
Ninety Nine Thousand Seven Hundred Sixty Three Dollars and Seventy Six Cents
($199,763.76) on June 3, 2014; and,

WHEREAS, GWA has granted Change Order No. 1 to Rex International to extend the
contract date from May 12, 2015 to June 16, 2015 (35 calendar days) due to DPW delays; and

WHEREAS, GWA is processing Change Order No. 1 to the CM to extend the contract
date from May 12, 2015 to June 16, 2015 (35 calendar days) at an additional cost of Twenty
One Thousand Four Hundred Sixty Dollars and Zero Cents ($21,460.00), increasing the
approved CM contract value to Two Hundred Twenty One Thousand Two Hundred Twenty
Three Dollars and Seventy Six Cents ($221,223.76) which is within the GWA General
Manager’s approving authority; and,
WHEREAS, GWA is currently in negotiation with Rex International for Change Order No. 3 that is expected to add an additional 58 calendar days to their contract; and,

WHEREAS, Rex International has advised GWA engineering that an additional 48 calendar days (beyond the anticipated 58 calendar days included in CO No. 2, for an additional 106 calendar days beyond the current contractual completion date) will be required to complete the project, resulting in a projected project finish date of September 30, 2015; and,

WHEREAS, GWA intends to assess Liquidated Damages to the contractor in the amount of Seven Hundred Fifty Dollars and Zero Cents ($750.00) for each unexcused working day, starting on the contractual completion date until Final Completion, to pay for the incurred costs due to delays by the contractor; and,

WHEREAS, in order to retain CM services beyond Change Order No. 1 to cover the additional 106 calendar days, GWA intends to Change Order the CM contract that potentially would increase by Seventy Nine Thousand Five Hundred Dollars and Zero Cents ($79,500.00), for a total projected CM contract cost of Three Hundred Thousand Seven Hundred Twenty Three Dollars and Seventy Six Cents ($300,723.76); and,

WHEREAS, GWA engineering also anticipates the contractor going beyond the proposed September 30, 2015 completion date provided by the contractor thus a 10 percent contingency on top of the total projected CM contract cost is also requested; and,

WHEREAS, GWA seeks CCU approval to increase the funding authorization for the CM by Seventy Nine Thousand Five Hundred Dollars and Zero Cents ($79,500), plus a 10% contingency in the amount of Thirty Thousand Seventy Two Dollars and Thirty Eight Cents ($30,072.38), for a total authorized increase amount of One Hundred Nine Thousand Five Hundred Seventy Two Dollars and Thirty Eight Cents ($109,572.38); and,
WHEREAS, the source of funding for the increase funding amount of One Hundred Nine Thousand Five Hundred Seventy Two Dollars and Thirty Eight Cents ($109,572.38) will be Internal Funded CIP with PW 05-16 as an alternate source; and,

WHEREAS, money received from the liquidated damages will be applied to funding sources used for the additional construction management work; and,

NOW BE IT THEREFORE RESOLVED, the Consolidated Commission on Utilities does hereby approve and authorize the following:

1. The recitals set forth above hereby constitute the findings of the CCU; and
2. The CCU hereby authorizes the amount of Seventy Nine Thousand Five Hundred Dollars and Zero Cents ($79,500.00) with an additional ten percent (10%) contingency of Thirty Thousand Seventy Two Dollars and Thirty Eight Cents ($30,072.38) for a total funding increased amount of One Hundred Nine Thousand Five Hundred Seventy Two Dollars and Thirty Eight Cents ($109,572.38) to fund the additional construction management cost; and
3. The CCU hereby approves the funding authorization total of Three Hundred Thirty Thousand Seven Hundred Ninety Six Dollars and Fourteen Cents ($330,796.14); and
4. Funding sources will be Internal Funded CIP with PW 05-16 as an alternate source; and
5. Money received from the liquidated damages will be applied to funding sources used for the additional construction management work.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.
DULY AND REGULARLY ADOPTED, this 26th day of May 2015.

Certified by: 

JOSEPH T. DUENAS  
Chairperson

Attested by: 

J. GEORGE BAMBA  
Secretary

I, J. George Bamba, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES: 4
NAYS: 0
ABSTENTIONS: 0
ABSENT: 1
Issues for Decision

Resolution 29-FY2015

Relative to Approving Change Order No. 2 Relative to the Modification of the Construction Management Contract with Stanley Consultants for Phase I of the GWA System Meters Project

What is the project’s objective? Is it necessary and urgent?
The objective of this modification is to increase the funding authorization for the project Construction Manager to cover CM services for the projected period of June 17, 2015 to September 30, 2015 (106 calendar days). CM services are necessary as the CM oversees the construction activities on behalf of GWA thus to continue the installation of the system meters project requires a CM on board. The need for additional services is due to delays by the construction contractor.

Where is the location?
The Construction Management services are for the construction activities related to the installation of system meters at various locations within the GWA water distribution system.

How much will it cost?
The modification to the CM services contract will increase the funding amount by Seventy Nine Thousand Five Hundred Dollars and Zero Cents ($79,500.00). With an additional ten percent (10%) contingency of Thirty Thousand Seventy Two Dollars and Thirty Eight Cents ($30,072.38), the total increase funding authorized will be One Hundred Nine Thousand Five Hundred Seventy Two Dollars and Thirty Eight Cents ($109,572.38).

When will it be completed?
The CM service is anticipated to be completed at the same time all construction activities are completed or by September 30, 2015.

What is the funding source?
The funding source will be Internal Funded CIP with PW 05-16 as alternate sources. It should be noted that GWA intends to assess Liquidated Damages to the construction contractor from which funds related to the LD will reimburse the funding source uses.