GWA RESOLUTION NO. 08-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE AGAT-SANTA RITA WASTEWATER TREATMENT PLANT REPLACEMENT DESIGN CONTRACT

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, GWA currently has a number of critical Court Order ("CO") projects, including Agat-Santa Rita Wastewater Treatment Plant (WWTP) (U.S. Court Order No. 02-00035, Section II.A) which was recommended to require improvements that ultimately resulted in GWA designing and constructing a new WWTP; and

WHEREAS, the CCU approved via Resolution 34-FY2014 for GWA management to enter into contract with Duenas Camacho and Associates (DCA) to provide professional engineering services for design of the Agat-Santa Rita Wastewater Treatment Plant Replacement project, as well as design services during construction; and

WHEREAS, the above noted resolution approved the contract fee of Four Million Five Hundred Three Thousand Six Hundred Twenty-Three Dollars and Seventy-Four Cents ($4,503,623.74), along with a five percent (5%) contingency of Two Hundred Twenty-Five Thousand One Hundred Eighty-One Dollars and Nineteen Cents ($225,181.19) to bring the total authorized funding amount to Four Million Seven Hundred Twenty-Eight Thousand Eight Hundred Four Dollars and Ninety-Three Cents ($4,728,804.93); and
WHEREAS, to date GWA has executed two change orders with Duenas Camacho and Associates for additional services that expended all the approved contingency fund and which is expected to be exhausted by the end of January 2018; and

WHEREAS, the CCU approved via Resolution 14-FY2018 an additional Three Hundred Ninety-Eight Thousand Six Hundred Ninety-Two Dollars and Thirty-Two Cents ($398,692.32) to retain DCA’s services through July 15, 2018; and

WHEREAS, the construction work in the second phase of the project has progressed slower than anticipated, due primarily to manpower shortages, and it is now estimated that all site improvements (including non-process related construction, landscaping, etc.) will be completed in March 2019; and

WHEREAS, GWA management seeks to issue a Change Order (No. 4) to the existing contract with DCA to extend its engineering services to provide ongoing designer review of submittals and RFIs, post-design/construction issues, and to provide operator training to GWA staff; and

WHEREAS, GWA engineering has negotiated with DCA to provide continued post-design / construction services (per the original contract scope of work) through April 2019, and prepare an Operations Manual and provide operator training, on a time and material (T&M) basis in an amount not-to-exceed (NTE) Six Hundred Thousand Dollars ($600,000.00); which is acceptable to GWA management (See Exhibit A); and

WHEREAS, GWA seeks CCU approval of the Change Order to provide continued design services during construction at a cost not to exceed Six Hundred Thousand Dollars ($600,000.00) which would bring the total authorized contract value to Five Million Seven Hundred Twenty-Seven Thousand Four Hundred Ninety-Seven Dollars and Twenty-Five Cents ($5,727,497.25); and
WHEREAS, the source of funding for the change order will be from the Bond proceeds under CIP WW 11-08 “Agat/Sta Rita STP Replacement”, System Development Charge (SDC) Funds, and Internally Funded CIP Funds; 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.
2. The CCU finds that the terms of the change order proposal submitted by Duenas Camacho and Associates to be fair and reasonable.
3. The CCU hereby authorizes the management of GWA to accept the change order proposal from “Duenas Camacho and Associates” attached hereto as Exhibit A, and which is incorporated into this Resolution in its entirety.
4. The CCU hereby further authorizes the management to execute the change order with Duenas Camacho and Associates, in the amount of not to exceed Six Hundred Thousand Dollars ($600,000.00) (Exhibit A).
5. The CCU hereby further approves the increase contract value of Five Million Seven Hundred Twenty-Seven Thousand Four Hundred Ninety-Seven Dollars and Twenty-Five Cents ($5,727,497.25);
6. The CCU hereby further approves the source of funding from Bond proceeds under CIP WW 11-08 “Agat/Sta Rita STP Replacement”, System Development Charge (SDC) Funds, and Internally Funded CIP Funds.

RESOLVED, that the Chairman certified and the Board Secretary attests to the adoption of this Resolution.

DULY AND REGULARLY ADOPTED, this 27th day of November, 2018.

Certified by: [Signature]
JOSEPH T. DUENAS
Chairperson

Attested by: [Signature]
J. GEORGE BAMBA
Secretary
SECRETARY'S CERTIFICATE

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: 5
NAYS: 0
ABSENTIONS: 0
ABSENT: 0
November 19, 2018

Thomas F. Cruz, P.E.
Chief Engineer
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam, 96913

Attn: John M. Davis, P.E., Senior Engineering Supervisor

Ref: Agat-Santa Rita Wastewater Treatment Plant (WWTP) Replacement Design

Subj: Change Order Request #4, Contract No. S14-002-BND, Revision 1

Dear Mr. Cruz:

Dueñas, Camacho & Associates, Inc and our design team have been providing continuous post design services for the referenced project. In order for our team to provide and continue the services needed for the ongoing construction efforts and the up coming start up and commissioning of the Agat-Santa Rita WWTP Phase II construction efforts, we are requesting a change order to increase our time and materials (T&M) limit based on the following.

- **Addition RFI Review.** The total number of RFIs to date for the project is 612, see attachment 1. As the designer of record, our team was asked to review nearly all the submitted RFIs. Our team provided and will continue to provide responses for the RFIs.

- **Additional Submittal Review.** As part of the construction support, the design team has reviewed up to 786 submittals to date, see attachment 1.

- **Focused Meetings.** Personnel from our design team attend the weekly meetings and participate in focused weekly meetings. These meetings have resulted in improved construction and response times. Our design team recommends that these weekly meetings continue until substantial completion of the project.

Additional Time and Service Request.

It is estimated that the design team services will be needed up to and at least two months past construction completion. We estimate that this will be ten (10) months from June 2018. Based on our past T&M billings the monthly billing used is approximately $50,000. The additional not to exceed effort for our T&M post design services is $500,000.

Standard Operating Procedures

As part of our initial project scope of work we were asked to provide standard operating procedures and manuals under our post design, T&M service. In order to complete this task we request that an
additional amount of $100,000 be added to our T&M agreement. In addition to this amount, effort from the monthly services may be used as we do not expect RFI and submittal review to continue past January 2019. Effort will shift to providing a use friendly manual depicting the currently installed equipment.

The total amount requested by this change order request:

Additional Time and Services Request: $500,000.00
Phase I Start Up Training and Support: $100,000.00

Total: $600,000.00

As part of this request we recommended that our post design services not to exceed amount be increased by $600,000.00 to continue providing uninterrupted service. This not to exceed increase request will bring the design team post design services amount to $2,059,661.21. This is less than 4% of the total construction cost to date.

Our design team is available to further discuss any comments or questions GWA may have to this change order request.

Thank you,

Kenneth M. Rekdahl, P.E.
Project Manger
Duenas, Camacho & Associates, Inc.

Attachment (1): Submittal and RFI Summary