GWA RESOLUTION NO. 24-FY2019

RELATIVE TO APPROVAL OF CHANGE ORDER TO THE BAZA GARDENS WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM PHASE II 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, to meet a mandate of the 2011 federal Court Order regarding the Baza Gardens Wastewater Treatment Plant (WWTP), GWA elected to remove the treatment plant from operation and to instead pump the wastewater to the new (under construction) Agat-Santa Rita WWTP; and

WHEREAS, due to schedule and funds constraints, the project was divided into three phases (I, II and III) and three separate construction contracts, extending from the Baza Gardens WWTP, across Route 17 (cross-island road), and terminating at the entrance to the new Agat-Santa Rita WWTP on Route 2A; and

WHEREAS, the CCU approved via Resolution 01-FY2017 a total funding authorization for Phase I with BME & Sons in the amount of Eight Million Two Hundred Eighty-Two Thousand Five Hundred Fifty-Eight Dollars and Seventy-Five Cents ($8,282,558.75); via Resolution 13-FY2017 a total funding authorization for Phase II with BME & Sons in the amount of Six Million Two Hundred Fourteen Thousand Nine Hundred Ninety-Seven Dollars and Seventy Cents ($6,214,997.70) and via Resolution 29-FY2017 a total funding authorization
for Phase III with Sumitomo-Mitsui Construction Company in the amount of Sixteen Million Three Hundred Seven Thousand Four Hundred Thirty Six Dollars and Sixty Cents ($16,307,436.60); and

WHEREAS, the portion of the gravity conveyance system along the entrance road (from Route 2A to the Agat-Santa Rita WWTP site) that is 0.5 miles long was not included in Phase I, II or III of the Cross-Island project as it was deemed in 2016 that the contractor for the new Agat-Santa Rita WWTP project might be better positioned to more cost-effectively execute the gravity line installation work; and

WHEREAS, as of September 2018, the contractor for Phase I of the subject project had completed gravity line installation along Route 2A and reached the entrance road to the new Agat Santa Rita WWTP and the contractor for the new WWTP unfortunately was not ready to execute additional scope related to installing of the gravity line along the entrance roadway; and

WHEREAS, due to efforts to comply with Court Order deadlines related to the Banzai Gardens WWTP as best as possible, GWA management executed Change Order #4 with BME & Sons, Inc., (Phase II Contract) to install part of the 21-inch diameter gravity sewer along the entrance roadway to the new WWTP to complete the wastewater conveyance system; and

WHEREAS, the execution of Change Order #4 related to the 21-inch gravity line installation depleted the contingency funds approved via CCU Resolution No. 13-FY2017 for Phase II contract; and

WHEREAS, GWA subsequently received additional funding authorization in the amount of One Hundred Forty-One Thousand Eight Hundred Seventy-Two Dollars and Seventy-Eight Cents ($141,872.78) for the Phase II contract via CCU Resolution 52-FY2018 that addresses unexpected costs for endangered species mitigation measures, unexpected buried utilities in the Navy right-of-way, as well as various sites changes that impacted project cost; and
WHEREAS, the approval of CCU Resolution 52-FY2018 increased the total authorized funding for the Phase II contract to Six Million Three Hundred Fifty-Six Thousand Eight Hundred Seventy Dollars and Forty-Eight Cents ($6,356,870.48); and

WHEREAS, GWA further executed two Change Orders using the fund authorization from Resolution 52-FY2018 which brought the contract value with BME & Sons for Phase II to Six Million Three Hundred Fifty Thousand Eight Hundred Twenty-Two Dollars and Nine Cents ($6,350,822.09); and

WHEREAS, GWA is working towards wrapping up all pending items to close the contract and one unresolved claim from the contractor involves additional excavation to meet hard stable ground surfaces and filling up of flowable fill at the new SPS for which GWA has finally agreed to the claim after further discussion with the CM and geotechnical engineer; and

WHEREAS, the contractor’s claim for additional excavation to the SPS as noted above is Fifteen Thousand Two Hundred Twenty-Two Dollars and Fifty-Five Cents ($15,222.55) (See Exhibit A) and the balance of the funding authorization is insufficient to cover thus GWA management is seeking CCU approval to increase the project fund authorization so as to be able to execute a Change Order and close this contractor claim; and

WHEREAS, the approval of this resolution will bring the total authorized funding for Phase II to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03); and

WHEREAS, funding for this project will be from wastewater bond funds applicable to the project; and

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

1. The recitals set forth above hereby constitute the findings of the CCU.

2. The CCU hereby approves additional funding to Phase II contract for the Bazaar Gardens Wastewater Cross-Island Pumping and Conveyance project in the
amount of Fifteen Thousand Two Hundred Twenty-Two Dollars and Fifty-Five Cents ($15,222.55) (Exhibit A).

3. The CCU further authorizes the total authorized funding to Phase II contract to Six Million Three Hundred Seventy-Two Thousand Ninety-Three Dollars and Three Cents ($6,372,093.03).

4. The CCU further authorizes the funding for this project will be from wastewater bond funds applicable to the project.

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

DULY AND REGULARLY ADOPTED, this 28th day of May 2019.

Certified by: Attested by:

JOSEPH T. DUENAS MICHAEL T. LIMTIACO
Chairperson Secretary

SECRETARY’S CERTIFICATE

I, Michael T. Limtiaco, 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
ABSTENTIONS: 0
ABSENT: 0
**EXHIBIT A**

**ACTIVITY AND LOCATION:**
GWA BAZA GARDEN WASTEWATER CROSS-ISLAND PUMPING AND CONVEYANCE SYSTEM PH-2

**CONSTRUCTION CONTRACT NO.:**

**DATE:**
Tuesday, April 02, 2019

**ESTIMATED BY:**
BME & SONS, INC

**STATUS OF DESIGN:**

**CCR#07rev2 Wetwell Additional Excavation and Flowable Fill Due to Unsuitable soil Condition per GEO Field Instructions**

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<th>ITEM DESCRIPTION</th>
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<tr>
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<td>QUANTITY</td>
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<tr>
<td>Additional Excavation and Flowable Fill</td>
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