

1                                   **GUAM CONSOLIDATED COMMISSION ON UTILITIES**  
2                                   **RESOLUTION NO. 29 – FY2015**

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

7                                   **WHEREAS**, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities  
8 (“CCU”) has plenary authority over financial, contractual and policy matters relative to the  
9 Guam Waterworks Authority (“GWA”); and  
10

11                                   **WHEREAS**, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation  
12 established and existing under the laws of Guam; and  
13

14                                   **WHEREAS**, Resolution No. 15 – FY2014 authorized GWA to contract with Rex  
15 International Corp. to construct Phase I of the GWA System Meters Project that is intended to  
16 provide system flow data for better understanding of the water system; and  
17

18                                   **WHEREAS**, the GWA General Manager approved the Construction Management  
19 (“CM”) contract for this project with Stanley Consultants, Inc. in the amount of One Hundred  
20 Ninety Nine Thousand Seven Hundred Sixty Three Dollars and Seventy Six Cents  
21 (\$199,763.76) on June 3, 2014; and,  
22

23                                   **WHEREAS**, GWA has granted Change Order No. 1 to Rex International to extend the  
24 contract date from May 12, 2015 to June 16, 2015 (35 calendar days) due to DPW delays; and  
25

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

6  
7       **WHEREAS**, Rex International has advised GWA engineering that an additional 48  
8 calendar days (beyond the anticipated 58 calendar days included in CO No. 2, for an additional  
9 106 calendar days beyond the current contractual completion date) will be required to complete  
10 the project, resulting in a projected project finish date of September 30, 2015; and,

11  
12       **WHEREAS**, GWA intends to assess Liquidated Damages to the contractor in the  
13 amount of Seven Hundred Fifty Dollars and Zero Cents (\$750.00) for each unexcused working  
14 day, starting on the contractual completion date until Final Completion, to pay for the incurred  
15 costs due to delays by the contractor; and,

16  
17       **WHEREAS**, in order to retain CM services beyond Change Order No. 1 to cover the  
18 additional 106 calendar days, GWA intends to Change Order the CM contract that potentially  
19 would increase by Seventy Nine Thousand Five Hundred Dollars and Zero Cents (\$79,500.00),  
20 for a total projected CM contract cost of Three Hundred Thousand Seven Hundred Twenty  
21 Three Dollars and Seventy Six Cents (\$300,723.76); and,

22  
23       **WHEREAS**, GWA engineering also anticipates the contractor going beyond the  
24 proposed September 30, 2015 completion date provided by the contractor thus a 10 percent  
25 contingency on top of the total projected CM contract cost is also requested; and,

26  
27       **WHEREAS**, GWA seeks CCU approval to increase the funding authorization for the  
28 CM by Seventy Nine Thousand Five Hundred Dollars and Zero Cents (\$79,500), plus a 10%  
29 contingency in the amount of Thirty Thousand Seventy Two Dollars and Thirty Eight Cents  
30 (\$30,072.38), for a total authorized increase amount of One Hundred Nine Thousand Five  
31 Hundred Seventy Two Dollars and Thirty Eight Cents (\$109,572.38); and,

1           **WHEREAS**, the source of funding for the increase funding amount of One Hundred  
2 Nine Thousand Five Hundred Seventy Two Dollars and Thirty Eight Cents (\$109,572.38) will  
3 be Internal Ffunded CIP with PW 05-16 as an alternate source; and,  
4

5           **WHEREAS**, money received from the liquidated damages will be applied to funding  
6 sources used for the additional construction management work; and,  
7

8           **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities  
9 does hereby approve and authorize the following:  
10

- 11           1. The recitals set forth above hereby constitute the findings of the CCU; and
- 12           2. The CCU hereby authorizes the amount of Seventy Nine Thousand Five  
13           Hundred Dollars and Zero Cents (\$79,500.00) with an additional ten percent  
14           (10%) contingency of Thirty Thousand Seventy Two Dollars and Thirty  
15           Eight Cents (\$30,072.38) for a total funding increased amount of One  
16           Hundred Nine Thousand Five Hundred Seventy Two Dollars and Thirty  
17           Eight Cents (\$109,572.38) to fund the additional construction management  
18           cost; and
- 19           3. The CCU hereby approves the funding authorization total of Three Hundred  
20           Thirty Thousand Seven Hundred Ninety Six Dollars and Fourteen Cents  
21           (\$330,796.14); and
- 22           4. Funding sources will be Internal Funded CIP with PW 05-16 as an alternate  
23           source; and
- 24           5. Money received from the liquidated damages will be applied to funding  
25           sources used for the additional construction management work.  
26

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

2  
3 Certified by:

Attested by:

4  
5 J.T.D.

6 **JOSEPH T. DUENAS**  
7 Chairperson

8  
9 J. George Bamba

10 **J. GEORGE BAMBA**  
11 Secretary

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

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

18 AYES: 4

19 NAYS: 0

20 ABSTENTIONS: 0

21 ABSENT: 1



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23 ///



## **GUAM WATERWORKS AUTHORITY**

"Better Water, Better Lives."

Gloria B. Nelson Public Service Building | 688 Route 15 | Mangilao, Guam 96913

Tel: (671) 300-6846

### 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.