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**Public Works**

City Transit  
263-8152

## MEMORANDUM

Equipment Maintenance  
Roadway Maintenance  
Collection & Drainage  
Building & Grounds  
Engineering

To: Gregg Mandsager, City Administrator  
CC: Fran Donelson, Secretary  
FROM: Randy Hill, Public Works Director  
DATE: December 16, 2014  
RE: Resolution Accepting the Completed Work – West Hill Phase II

## INTRODUCTION:

The City of Muscatine awarded a contract to Langman Construction Inc. on February 7, 2013 in the amount \$3,686,579.01 for the West Hill Phase II Storm and Sanitary Separation Project.

## BACKGROUND:

The City of Muscatine is under a Federal Consent Order to separate the storm and sanitary sewers by 2028. The completion of Phases I & II of the West Hill Sewer Separation Project represents 21% of the total work needed to meet the Consent Order.

West Hill Phase II resulted in a \$739,651.81 overrun. At the September 18, 2014 City Council meeting the Council approved a series of Change Orders amounting to \$453,670.80. The main purpose of this large Change Order was changing material standards and grading and compaction in the Ravine area at the end of W. 6<sup>th</sup> extending to W. 8<sup>th</sup>. This large area will be used in the future for a fill site for the remaining Phases (III thru VIII) of the West Hill Project. It has been determined that with every cubic yard of dirt that is used as fill there is a \$5.00 p/cy savings in future costs. As a result in the West Hill Phase III (A/B/C) plans a MINIMUM estimate of material to be disposed of as fill is 30,000 cubic yards = \$150,000 savings. Note: Phase III is scheduled to be bid in March 2015.

The remaining \$285,981.01 is the result of quantity adjustments. Examples of this include extending the paving on Spruce to W. 7<sup>th</sup> because of a broken sewer line requiring replacement. (This is a cost assigned to the sewer separation work but benefits our Pavement Management Plan significantly). There were additional costs for Clearing and Grubbing in the Ravine; added sheet piling required; much more crushed stone needed and other miscellaneous quantity overruns.

Although this project has a much higher cost adjustments than usual, we believe the City of Muscatine will benefit in the future. Sustainability in Public Works is defined as:

“Sustainability in public works means seeking a balanced approach for a vibrant community today and tomorrow, and it is accomplished by the efficient delivery of infrastructure in an environmentally and socially responsible way that ensures the best economic choice in the long term.”

**RECOMMENDATION/RATIONALE:**

The Muscatine Public Works staff recommends accepting the completed work for the West Hill Phase II Sanitary and Storm Sewer Separation Project in the amount of \$4,426,230.82.

**BACKUP INFORMATION:**

1. Memorandum for West Hill Phase II Closeout
- 2.
- 3.
- 4.

December 12, 2014

To: Randy Hill, Public Works Director

From: Steve Dalbey, Construction Inspector

Subject: West Hill Sewer Separation Project, Phase 2 Closeout

The work on Phase 2 of the West Hill Sewer Separation Project has been completed and inspected. A final pay application has been submitted for payment at the December 18, 2014 City Council meeting. The original contract with Langman Construction, Inc. was for \$3,686,579.01. Ten (10) change order items were processed with a net change of \$453,670.80. Increases in the cost of original contract items equaling \$285,981.01 brings the total cost of Phase 2 to \$4,426,230.82. This equals \$739,651.81 above the original contract amount.

Most of the change order and contract item increases came as the result of work done in the ravine, some of which were related to the acquisition of the Minter property. That transaction opened up many opportunities for long-term cost savings related to the use of the ravine as a fill site, particularly for future sewer separation projects. The advantages of that use include a significant savings in the cost of hauling dirt to other locations farther away from the sewer separation work sites. Further, City-owned property in the ravine, properly developed and managed, have the potential for being sold as buildable, taxable residential properties. An in-depth analysis of ravine use options is underway by the City construction inspection staff that will be used in the planning for the next phases of the sewer separation project as well as the creation of a ravine development strategy.

The other cost increases for items that were in the original contract included a combination of unanticipated work to repair/upgrade problems with the existing sewer and opportunities to accommodate transitions to work that will take place in future phases.

The close-out of the project will set the stage for the payment of the retainage that amounts to \$221,311.54 as shown on Partial Payment #16. That will settle the amount owed to the contractor for completed work to date. Please present this information to the City Council for their consideration at the December 18, 2014 City Council meeting.

#### West Hill Phase 2 Reconciliation 12-12-14

Original contract	\$	3,686,579.01
Net change order amt.	\$	453,670.80
Increased contract item cost	\$	285,981.01
Final project cost	\$	4,426,230.82
Cost above original contract	\$	739,651.81

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION ACCEPTING COMPLETED WORK PERFORMED UNDER**

**WEST HILL AREA SANITARY AND STORM  
SEWER SEPARATION - PHASE 2 PROJECT**

**AND AUTHORIZING FINAL PAYMENT**

WHEREAS, the City of Muscatine approved the Plans, Specifications, and Form of Contract for the West Hill Area Sanitary and Storm Sewer Separation – Phase 2 project; and

WHEREAS, the City of Muscatine entered into a contract for said project with Langman Construction Company for \$3,686,579.01 with ten (10) change orders and additional bid item adjustments, for a total contract amount of \$4,426,230.82; and

WHEREAS, all work under the contract has been completed by Langman Construction Company and approved and accepted by the City of Muscatine Public Works Department and appears to meet the requirements of the Plans and Specifications heretofore adopted by this Council; and

WHEREAS, the amount of \$4,160,974.74 has been previously paid to Langman Construction Company and a balance of \$265,256.08 including 5% retainage remains due and payable.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MUSCATINE, that the City of Muscatine make immediate payment of \$43,944.54 to Langman Construction Company for completed and accepted work under the West Hill Area Sanitary and Storm Sewer Separation Phase 2 Project thereafter make an additional payment of \$221,311.54 which represents the 5% retainage thirty (30) days from the date of this acceptance.

PASSED, APPROVED, ADOPTED THIS 18<sup>th</sup> DAY OF DECEMBER, 2014.

CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA

BY: \_\_\_\_\_  
DeWayne Hopkins, Mayor

ATTEST:

\_\_\_\_\_  
Gregg Mandsager, City Clerk