



**City of Gig Harbor  
City Council Meeting Agenda Bill**

**Meeting Date: March 14, 2022**

**SUBJECT:** Harborview-Stinson Intersection Improvements – Change Order #3

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**PURPOSE & RECOMMENDATION:** The purpose of this agenda bill is to execute a Public Works Contract change order with the City's contractor, Active Construction Inc. (ACI) to incentivize them to accelerate the construction of the Harborview/Stinson Intersection Improvement Project and to open the roundabout to traffic in a shorter time than currently scheduled.

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**SUGGESTED MOTION:** Approve and authorize the Mayor to execute Change Order #3 in the not-to-exceed amount of \$75,000, to be used to incentivize acceleration of completion of the roundabout.

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**SUBMITTED BY:** Aaron Hulst, PE, Senior Engineer

**DEPARTMENT:** Public Works/Engineering

**PHONE:** 253-853-7620

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**BACKGROUND INFORMATION:** On February 28 the City began phase two of the Harborview/Stinson Intersection Improvements. Prior to the beginning of Phase 2 work, an extensive public outreach process was undertaken by staff. There have been some concerns expressed by residents and businesses with how long the current closure and detour route will be in place. The contractors current schedule shows the closure and detour ending and the roundabout being open to traffic on June 9. Subsequent discussions amongst Mayor, Council, and staff concluded in interest to incentivize the contractor to accelerate completion of the roundabout work earlier than currently planned.

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**DISCUSSION:** This change order was developed to facilitate a way to incentivize the contractor to complete roadway construction ahead of schedule.

The contractor's current schedule (attached) identifies final asphalt lift being placed on June 9, 62 working days from March 15, which is the earliest date this change order could be executed if approved by Council. This change order would incentivize the contractor by paying \$5,000 per working day, up to a maximum of \$75,000 (15 working days), that the roundabout is open to traffic ahead of schedule.

The total contract time will not be adjusted with this change order and the anticipated date of physical completion remains in July 2022.

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**FISCAL CONSIDERATION:** The 2022 budgeted amount of \$2,100,000 will not be exceeded if the proposed change order is executed. See summary table that identifies a total 2022 project budget excess of **\$238,000**.

**2022 Budgeted Amount                      \$2,100,000**

<b>Approved 2022 Expenditures</b>	<b>Remaining to pay</b>
Construction Contract (ACI)	\$1,670,000
City Engineer Change Order Authority	\$109,000
Construction Support (TSI)	\$55,000
Materials Testing (CTL)	\$28,000
Subtotal	\$1,862,000
<b>Total 2022 budget available</b>	<b>\$238,000</b>

By council approving this change order, the City Engineer's change order authority will remain intact.

Expenditure Required: \$0	Amount Budgeted: \$2,100,000	Appropriation Required: \$
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**BOARD/COMMISSION/COMMITTEE RECOMMENDATION: N/A**


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**ATTACHMENTS:** Change Order #3, ACI Schedule

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**REVIEWED BY:**

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| <input checked="" type="checkbox"/> Mayor              | <input checked="" type="checkbox"/> Finance Director |
| <input checked="" type="checkbox"/> City Administrator | <input checked="" type="checkbox"/> Department Head  |
| <input checked="" type="checkbox"/> City Attorney      |  |

Date: 3/15/2022	 <b>City of Gig Harbor</b> <b>Public Works Department</b> <b>Change Order Form</b>	CO # 3 Page #1 of #1
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Order by Engineer under terms of  
Section 1-04.4 of Standard Specifications  
 Change Proposed by Contractor

Project No.: CSP-1904  
 Project Name: Harborview Dr./Stinson Ave Intersection Impr  
 Contractor Name: Active Construction Inc.  
 Contractor Address: PO Box 430  
 Puyallup, WA 98371

When this Change Order has been approved by the Mayor, you are directed to make the changes described below to the plans and specifications or to complete the following described work originally not included in the plans and specifications of the project contract. This adjustment shall include full payment for all items required for such work, including, without limitation: all compensation for all direct and indirect costs for such work; costs for adjustments to scheduling and sequence of work; equipment; materials delivery; project "acceleration"; costs for labor, material, equipment and incidental items; overhead costs and supervision, including all extended overhead and office overhead of every nature and description. All work, materials, and measurements shall be in accordance with the provisions of the Standard Specifications, the Special Provisions, or as provided by this Change Order for the type of construction involved.

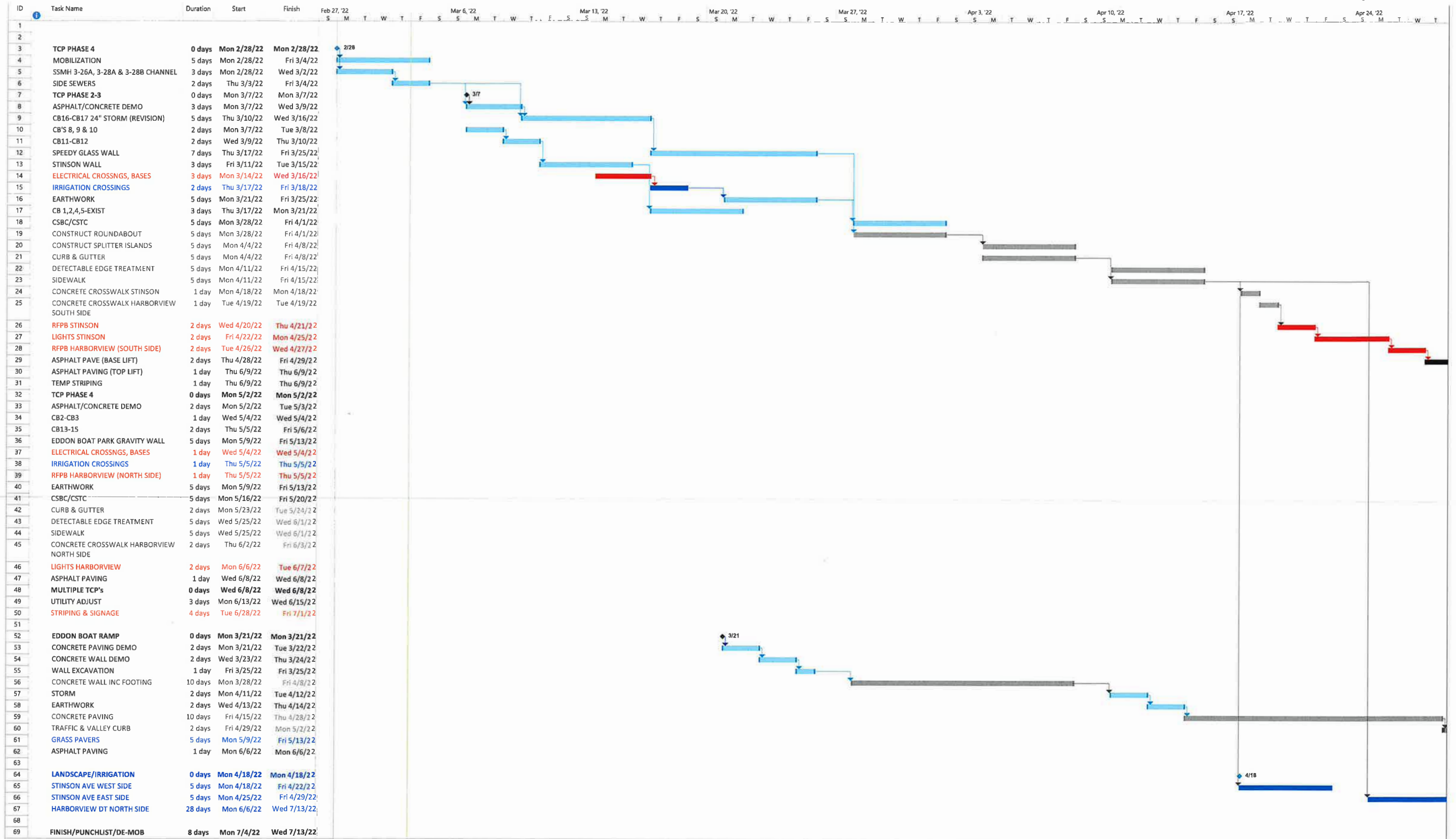
Description of Changes	Max. Qty.	Unit	Unit Price	Decrease in Contract Price	Maximum Increase in Contract Price				
<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="width:20%;"><u>Bid Item</u></td> <td><u>Bid Item Description</u></td> </tr> <tr> <td>NA</td> <td>NA</td> </tr> </table> <p><u>References:</u> ACI - Schedule - accepted by City on 03-04-2022</p> <p><u>Description of incentive work:</u> This change order is intended to incentivize the contractor to complete the construction of the project so that the roadway(s) can be opened to traffic earlier than scheduled. Incentive is proposed for each working day, ahead of schedule (attached), the contractor can open all lanes to 2-way traffic and complete all work preceding but including final asphalt lift placement.</p> <p><u>Work/Bid Items that shall be complete prior to incentives being paid:</u> All work and bid items that precede but include final asphalt roadway lift being placed for the entire project. These items include but are not limited to: all roadway work including grading and placement of base, all sidewalk that will require traffic control to place, all curb and gutter, all roundabout curb and gutter, all stamped concrete crosswalks, all roundabout splitter islands, and the roundabout center island.</p> <p><u>Assumptions:</u> The Contractor will receive incentive pay of \$5,000 per day for each working day that all work preceding but including final asphalt lift of pavement is completed prior to the end of the 62nd working day, beginning to count days the first day this change order is executed. Aside from incentive pay, this change order does not change any other terms of the contract. Maximum incentive pay shall not exceed \$75,000, or 15 working days.</p>	<u>Bid Item</u>	<u>Bid Item Description</u>	NA	NA	15	working day	\$5,000.00		\$75,000.00
<u>Bid Item</u>	<u>Bid Item Description</u>								
NA	NA								
			Sub-total =	\$0.00	\$75,000.00				
			Tax Rate = NA	Tax =	\$0.00				
			Totals =	\$0.00	\$75,000.00				
<b>Original Contract Amount</b>	<b>Total Changes by Previous Change Orders</b>	<b>Maximum Amount of this Change Order</b>		<b>Adjust Contract Amount Including this Change Order</b>					
\$2,188,188.01	\$66,367.27	\$75,000.00		\$2,329,555.28					

This Change Order revises the time for substantial completion by:  
 0 working day increase.      0 working day decrease.      0 no change in working days.

By accepting this Change Order, or by failing to follow the procedures of Section 1-04.5 and Section 1-09.11 of Standard Specifications and as amended by the Special Provisions, the Contractor attests that the Contract adjustment for time and money as provided herein is adequate, and constitutes compensation in full for all costs, claims, mark-up, and expenses, direct or indirect, attributable to this or any other prior Change Order(s). The Contractor further attests that the equitable adjustment provided herein constitutes compensation in full for any and all delays, acceleration, or loss of efficiency encountered by the Contractor in the performance of the Work through the date of this Change Order, and for the performance of any prior Change Order by or before the date of substantial completion. All other items, conditions and obligations of the contract shall remain in full force and effect except as expressly modified herein, in writing, by this Change Order.

ACCEPTED: \_\_\_\_\_ Date: 3/15/2022  
 Contractor Signature  
 \_\_\_\_\_  
 N/A  
 Surety Signature, when required \_\_\_\_\_ Date: \_\_\_\_\_

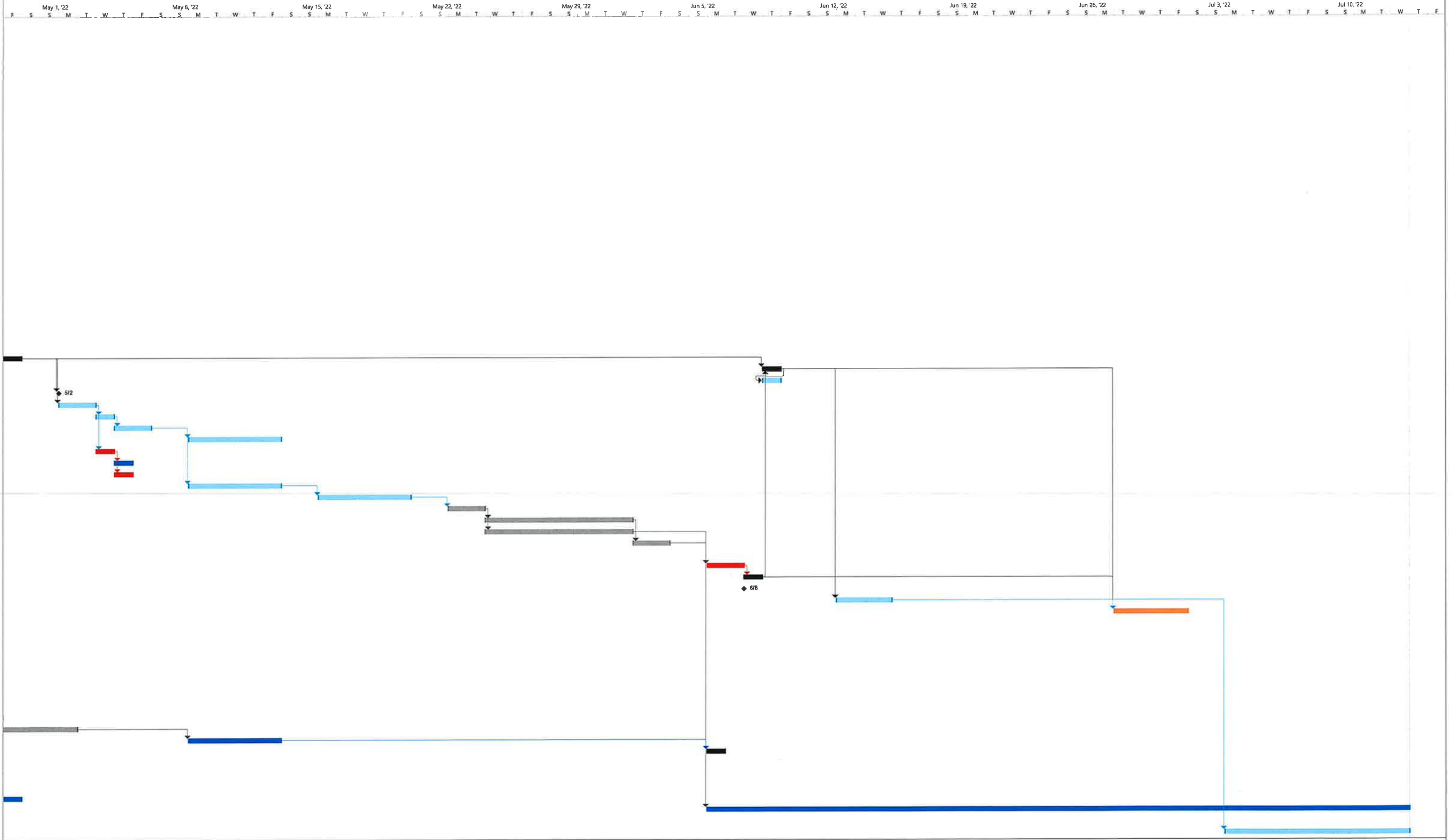
APPROVED: \_\_\_\_\_ Date: 3/15/2022  
 Tracie Markley, Mayor \_\_\_\_\_ Date: \_\_\_\_\_



Project: 21-027, Harborview Drive Stn  
Date: Fri 3/4/22

Task	Summary	Inactive Milestone	Duration-only	Start-only	External Milestone	Manual Progress
Split	Project Summary	Inactive Summary	Manual Summary Rollup	Finish-only	Deadline	
Milestone	Inactive Task	Manual Task	Manual Summary	External Tasks	Progress	

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Project: 21-027, Harborview Drive Stln Date: Fri 3/4/22	Task	Summary	Inactive Milestone	Duration-only	Start-only	External Milestone	Manual Progress
	Split	Project Summary	Inactive Summary	Manual Summary Rollup	Finish-only	Deadline	Progress
	Milestone	Inactive Task	Manual Task	Manual Summary	External Tasks	Progress	Progress