

RESOLUTION NO. 2017- 226

A RESOLUTION AUTHORIZING THE ISSUANCE OF AN AMENDATORY SUPPLEMENTAL CHANGE ORDER NO 8 TO A PROFESSIONAL SERVICES CONTRACT NO. C-12-0060, ISSUED TO WALDRON ENGINEERING AND CONSTRUCTION, INC. IN AN AMOUNT NOT TO EXCEED \$25,000.00.

WHEREAS, the City Council of the City of Vineland authorized the execution of a Professional Services Agreement and amendments thereto with Waldron Engineering and Construction, Inc. (Waldron), contract number c-12-0060, for design and engineering services for the construction of a simple cycle power plant At the Vineland Municipal Electric Utility (VMEU) Clayville Station site; and

WHEREAS, the original contract amount was \$1,653,250 for said services;

WHEREAS, as a result of unforeseen and unanticipated issues arising out of the construction of Clayville Unit Number 1, including events of default, construction deficiencies of the contractor resolution of unfair scene permitting issues and alterations of design specifications to the Clayville unit, additional and necessary services were required of Waldron which to date total \$770,611.50; and

WHEREAS, the management personnel of the VMEU have recommended an additional change order to contract number C-12-0060 issued to Waldron in an amount not to exceed \$25,000 commencing upon the adoption of a resolution approving the same and continuing through January 31, 2018, for additional design services for both Down 11 and Clayville Unit 1, technical support and specialty experts as required, in accordance with a proposal dated April 21, 2017, attached hereto; and

WHEREAS, N.J.A.C. 5:30-11.9 sets forth the procedures for processing change orders which exceed the 20 percent limitation; and

WHEREAS, the additional services are due to circumstances that have evolved as a result of the ongoing litigation involving the construction of Clayville Unit 1 as well as the unforeseen mechanical malfunction of Down 11 and necessary modifications to Clayville Unit 1 to assure the root cause of the Down 11 mechanical malfunction does not occur to Clayville Unit 1. This addition is required due to emergent circumstances that evolved as a result of review of weld documentation of high and low pressure natural gas piping which have just been presented for review and a finding that up to 19 weld inspection documentation is missing and several weld inspections revealed unacceptable welds. These additional services are required to be taken to resolve these emergent circumstances and do not allow competitive bidding processes to assure the best interests of the City are assured

CITY OF VINELAND, NJ

WHEREAS, the City of Vineland desires to comply with said requirements of N.J.A.C. 5:30-11.1, et seq., and to that end herewith files with the governing body a report stating the facts involved and indicating that the proposed change order may be allowed under these regulations; and

WHEREAS, the CFO has certified the availability of funds for the amendatory supplemental change order for which authorization is requested in the amount of not more than \$25,000.00.

NOW THEREFORE BE IT RESOLVED by the Council of the City of Vineland that said amendatory supplemental change order #8, to Contract No. C-12-0060, issued to Waldron Engineering and Construction Inc. in the amount of not more than \$25,000.00 be and the same is hereby ratified and approved.

Adopted:

President of Council

ATTEST:

City Clerk

May 16, 2017

To: Mayor and Council

Re: Amendatory Change Order No. 8

Contract No: C-12-0060

Waldron Engineering and Construction Inc.

The Vineland Municipal Electric Utility is requesting an amendatory supplemental change order be issued to contract number C-12-0060 issued to Waldron engineering and construction Inc. for continuing engineering services related to the VMEU generation facilities known as Down 11 and Clayville Unit 1

The change order will cover the following project activities;

1. Professional engineering services relating to the VMEU generation facilities.
2. Design services from the original system designers for both the Down 11 and Clayville Unit 1 sites.
3. Technical support from supplemental staff as required.
4. Specialty experts as required including turbine expert, CWI, Power Plant Acoustics, Air Permit Changes, etc.

The change order is for an amount not to exceed \$25,000 from date of award to January 31, 2018 and is required as a contingency for emergency circumstances that may as a result of operating challenges and other unforeseen circumstances.

The change order requested will increase the original contract amount from \$1,653,250.00 to an additional \$795,611.50 for change orders 1 through 8. The need for these additional services were unforeseen and could not have been reasonably considered to be a necessary part of the original contract.



PETER KUDLESS, PROJECT MANAGER, VMEU

5/2/17

REQUEST FOR CHANGE ORDER
FOR:

**Furnishing Professional Services for Design and Engineering for Construction of the Clayville
Simple Cycle Power Plant**
PROJECT NAME

TO: BUSINESS ADMINISTRATION

DEPARTMENT: VMEU Generation Engineering

FROM: *PKC* Pete Kudless & John Miller

PKC
5/2/17
John Miller 5/4/17

This is a request for change order # 8 to Contract #_C 12-0060_for:

Project Name: _Furnishing Professional Services for Design and Engineering for Construction of the Clayville Simple Cycle Power Plant

Name/Address of Contractor: WALDRON Engineering & Construction, Inc.
37 Industrial Drive, Suite G - 1
Exeter, NH 03833

This change order is necessary to incorporate the following modification to this contract:

- 1) Provide additional engineering services to the VMEU generation assets in accordance with Waldron Potential Change Order PCO # 56 dated April 21, 2017 (copy attached) as follows:
 - A. Provide design services from the original systems designers for VMEU Trent generation assets.
 - B. Supplemental support from supplemental staff as required
 - C. Speciality experts as required (e.g. Turbine Expert, CWI, Power plant acoustics, permit changes, etc.).

TOTAL AMOUNT OF CHANGE ORDER #8

\$ 25,000.00



BA



Peter J. Kudless
Project Manager
Clayville Unit #1
pkudless@vinelandcity.org
www.vinelandcity.org

211 N. West Ave
Vineland, NJ 08362-1508
Phone: (856) 794-4000
Extension: 4380
Fax: (856) 405-4625

Original Contract Amount: \$ 1,653,250.00

Amount of This Change Order: \$ 25,000.00

Previous Change Orders: \$ 770,611.50

Total Revised Amount: \$ 2,448,861.50

APPROVED BY: John Lillie
Print/Type

John Lillie
John Lillie Signature

NOTE: CHANGE ORDERS CANNOT EXCEED 20% OF THE ORIGINAL CONTRACT AMOUNT

Please provide the account number that the change order will be charged to:

Account# 002-0-54-90-9001-2-7023345 E552

- CC: Purchasing Division
- Joe Isabella
- Gus Foster
- Jeff Davis
- Pete Kudless



Special arrangements for persons with disabilities may be made if requested in advance by contacting the Business Administrator's office at 856-794-4144.

WALDRON ENGINEERING & CONSTRUCTION, Inc.

POTENTIAL CHANGE ORDER (PCO) FOR WORK OUTSIDE OF ORIGINAL SCOPE OF WORK

Project:	<u>Clayville Unit 1</u>	PCO #:	<u>56</u>
		Date:	<u>4/21/2017</u>
		Waldron Project Code:	<u>293.01</u>
		Purchase Order Date:	<u>10/18/2012</u>
To Owner:	<u>Vineland Municipal Electrical Utility</u>	PO #:	<u>12-007250</u>
		Waldron Milestone #	<u>72</u>

THIS PCO IS FOR THE FOLLOWING:

This PCO covers work on the potential change order item identified for the Continuing Engineering Services

This work will be accomplished as needed to support current project activities

This scope includes work by Waldron personnel and technical support staff supplementation and this price includes all required expenses and follow-up reports. This work has an estimate of \$25,000 for the residual of the 2017 year

There are no options associated with this scope of work

This PCO utilizes the man-hour rates attached to this document.

This PCO is subject to Terms & Conditions, mark-ups, and retainage as specified in the original Purchase Order.

The original Scope of Work was	\$1,653,250	
The net change by previous PCOs is	\$770,611.50	There are no pending PCO's except this
The Scope of Work prior to this PCO was	\$2,423,861.50	
The Scope of Work will be changed by this PCO	\$25,000 *	
The new Scope of Work including this PCO will be	\$2,448,861.50	

The Overall Schedule will be changed by TBD Days

The Date of Project Completion as of the date of this PCO therefore is TBD

This PCO will be rolled into the single monthly invoice for PO 12-007250 but tracked separately as a Milestone as noted above

NOT VALID UNTIL SIGNED BY THE WALDRON'S PM and VMEU's PM.
ORIGINAL OF THIS DOCUMENT MUST BE MAILED TO PETER KUDLESS

***Note**
Subject to Vineland
City Council
Approval of Change
Order

Waldron Engineering & Construction
Engineer/Contractor (Firm Name)

Vineland Municipal Electric Utility
Owner (Firm Name)

37 Industrial Drive Exeter, NH, 03833
Address

211 N. West Ave, Vineland, NJ, 08362-1508
Address

Jeremy P. Smith

By (signature)

Peter Kudless

By (signature)

Jeremy P. Smith
(typed name)

Peter Kudless
(typed name)

4/21/2017
Date

5/2/17
Date

April 21st , 2017

Mr. Peter Kudless
Project Manager
Vineland Municipal Electrical Utility (VMEU)
Generation Division
211 N. West Ave
Vineland, New Jersey

Via: Mail
RE: PCO #56 Continuing Engineering Services for 2017

Pete

Thank you for the opportunity to provide the requested potential change order to the Vineland Municipal Electric Utility Clayville Unit 1 Contract. Waldron will support the continuing engineering services scope of work with our staff of engineers, designers, technical support staff, and supplemental specialty experts as directed by VMEU.

This PCO will cover the following project activities, should direction come to perform any of the following:

- 1-Professional engineering services relating to the VMEU generation assets
- 2-Design services from the original systems designers of both the HMD #11 and Clayville Unit #1 sites.
- 3-Technical support from supplemental staff as required
- 4-Speciality experts as required (e.g. Turbine Expert, CWI, Power Plant Acoustics, Air permit changes, etc.)

Therefore this PCO will be broken down into man-hours dedicated to tasks as assigned by VMEU personnel.

<i>Specific Task Order</i>	<i>Approx. Cost of man-hours and expenses related to this item:</i>	<i>Running sub-total of task orders thus far this year:</i>
<i>Man hours=TBD</i>	<i>TBD</i>	<i>TBD</i>

Deliverables:

Waldron will produce deliverable items required from the contract in accordance with the contract terms and conditions, but not-less-than one PDF version maintained indefinitely, and two physical copies sent to VMEU for each item.

Peter Kudless
VMEU
4/21/2017
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Timeline:

-Waldron will proceed with the work upon direction to proceed. Any carry-over tasks which are not fully completed by December 31st, 2017 will be placed on hold in 2018 until a new contract is determined.

Options:

There are no options associated with this scope of work.

Proposal Clarifications:

Engineering Responsibility: Waldron will continue to support VMEU with the design Engineer of Record for both the HMD Unit #11 and Clayville Unit #1 sites. Waldron will take engineering responsibility for designs for other sites as assigned, but limited to work assigned to Waldron for design.

Pricing and Terms of Payment

The potential change order amount for the deliverables as described above is Twenty Five Thousand Dollars (**\$25,000**) which would be invoiced as a milestone in the existing contract. A milestone line item would appear on the regular monthly invoice and cost tracked against that item.

Expenses for all of the above would be invoiced as expended with mark-up in the milestone line item.

Waldron Engineering thanks you for allowing us to submit this potential change order. If you find this request to be complete and wish to provide us with a change order, we are prepared to begin work when directed.

I trust this memorandum meets your needs. If you have any questions please do not hesitate to call.

Regards,

[JEREMY P. SMITH](#)

Jeremy P Smith, P.E.
Project Manager
Waldron Engineering & Construction, Inc.

Waldron Engineering & Construction, Inc.

Fee Schedule

LABOR CATEGORY	BILLING RATE EFFECTIVE THROUGH DECEMBER 31, 2017
Project Manager	\$214.00
Construction Manager	\$192.00
Senior Project Engineer	\$173.00
Project Engineer	\$143.00
Design Engineer	\$143.00
Designer	\$125.00
Construction Supervisor	\$164.00
Construction Coordinator-Project Controls	\$118.00
Commissioning Engineer	\$165.00
Administrative	\$70.00

For 2018 it is estimated that the above rates will increase by approximately 3.0%

State and, if required, local sales/use taxes will be added to our invoice unless the project is tax exempt. If tax exempt please forward exemption paperwork.