6. Standing Items - RSD Finance Issues

Subject: 6.2 Consideration of change orders subject to approval by the Joint Legislative Committee on the Budget

Meeting: Mar 6, 2014 - Administration and Finance Committee
Access: Public
Type: Action

EXECUTIVE SUMMARY AND RECOMMENDATIONS
Revised 3/2012

Contact Person(s): Ron Bordelon
Phone Number: 501-373-6200
Office: Recovery School District

Title: Consideration of change orders subject to approval by the Joint Legislative Committee on the Budget

Recommendation: Approve

Summary of recommendation or proposed changes:

Pursuant to La. R.S. 17:1990, the Recovery School District is required to receive Joint Legislative Committee on the Budget (JLCB) approval for any change order in excess of $100,000 to a contract for a project undertaken that would be considered a capital expense.

The Joint Legislative Committee on the Budget requests prior BESE approval for any such change order prior to being placed on the JLCB agenda for consideration.

The RSD requests that BESE approve the following change orders and direct the RSD to place on the JLCB’s agenda for consideration at the next regularly scheduled JLCB meeting:

1. Change order for the construction contract with C.D.W. Services, L.L.C., for the mothballing of Andrew J. Bell Junior High School (project number 2011-0853-0001) in the amount of $361,334.40 in order to provide for the:
   a. removal ofRegulated Asbestos-Containing Materials (RACM) for all hazardous materials in Building-E (Christy Building) and Building A (Annex Building) due to construction debris and finishes that were dislodged during the necessary repairs to structural walls;
   b. installation of a course of brick and mortar cap over the brick wall at the demolished breezeway roof; and
   c. general contractor’s performance and payment bonds and overhead and profit for the additional work.

2. Change order for the construction contract with FHP Tectonics Corporation for the refurbishment of Frederick A. Douglass High School (project number: 2012-0868-0001) in the amount of $378,871.98 in order to provide for the:
   a. asbestos removal associated with classroom window replacement, due to the uncovering of unforeseen caulk at these openings that consisted of regulated asbestos containing material;
   b. repair of existing reinforced concrete pipe (RCP); and
c. deletion of the installation of flood gates and fiber reinforced panels (FRP) for the gymnasium, at the owner's request.

| Notice of Intent for Bulletin:          |
| Notice of Intent for BESE Code and Code Reference: |
Change Order

PROJECT (Name and address): 10024-AB Mothballing of Closed Schools/ Safe & Secure at Andrew J. Bell Junior High School for Recovery School District 1010 North Galvez Street New Orleans, LA 70119

TO CONTRACTOR (Name and address): CDW Services, LLC 721 Papworth Avenue, Suite 101 Metairie, LA 70001

ARCHITECT: AIA

ARCHITECT’S PROJECT NUMBER: 10024-AB

CONTRACT DATE: May 13, 2013

CONTRACT FOR: General Construction

PROJECT OWNER: 

DATE: 06 February 2014

DATE: 2-10-14

OTHER: 

ARCHITECT: 

FIELD: 

ARCHITECT: 

FIELD: 

THE CONTRACT IS CHANGED AS FOLLOWS:

RFC No. 01, Item 1: Change Removal format to RACM for all Hazardous Material in Building E; credit for removal of existing debris and the removal of debris from the North Hallway wall (approx. 180 ft) on the second and third floor. ADD $147,144.70

RFC No. 01, Item 2: Change Removal format to RACM for all Hazardous material in Building A Annex; credit for not removing debris on first floor of Gymnasium. ADD $173,922.00

RFC No. 01, Item 3: Demolish Breezeway roof structure to the Chapel; install one course of bricks and install a masonry cap over the brick wall. ADD $348.00

RFC No. 1, Item 04: General Contractor’s Overhead and Profit and direct Work associated with Items 01, 02, 03; and Performance and Payment Bond. ADD $39,519.70

The original Contract Sum was $2,058,600.00

The net change by previously authorized Change Orders $0.00

The Contract Sum prior to this Change Order was $2,058,600.00

The Contract Sum will be increased by this Change Order in the amount of $361,334.40

The new Contract Sum including this Change Order will be $2,419,934.40

The Contract Time will be increased by forty-two (42) days.

The date of Substantial Completion as of the date of this Change Order therefore is 5/19/2014

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Verges/Rome Architects, APAC

ARCHITECT (Firm name) 

320 N. Carrollton Ave. Ste 100 

New Orleans, LA 70119

ADDRESS

BY (Signature)

David Glen Reed, AIA

(Typed name)

DATE 02/10/2014

CDW Services, LLC

CONTRACTOR (Firm name) 

721 Papworth Avenue, Suite 101 

Metairie, LA 70001

ADDRESS

BY (Signature)

Christopher Walker

(Typed name)

DATE 2-10-14

Louisiana Dept. of Education/Recovery School District

OWNER (Firm name)

1615 Poydras Street, Suite 1400 

New Orleans, LA 70112

ADDRESS

BY (Signature)

Rodney Painting

(Typed name)

DATE 18 FEB 2014

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Change Order

PROJECT:  Bell JH (Mothballing)  Change Order:  001  
PROJECT NO:  2011853  Date:  1/31/2014

Format B: Must include line item scope and separate pricing for labor, material, profit, insurance

How may this scope have been unforeseen/hidden condition from the original scope of work?
This scope was unforeseen/hidden while jacking up the southeast load bearing wall (3’ out of plumb), the existing debris and finishes were mixed in without anyway of differentiating what’s hazardous/nonhazardous. The canopy at the Chapel needed to be demolished due to excessive moisture to the decking and wood joist runners.

How change order scope is necessary?
This scope is necessary in order to ensure a safe work area, the debris had to be removed as Hazardous to prevent any unsafe practices in the removal. The canopy was demolished which reduced the cost, in lieu of re constructing the canopy.

Are these changes within the contract original scope?
These changes are within the contracts original scope in accordance with La. Rev. Stat. 38:2212

How were these prices determined? Did you consider rebidding? If not, explain.
Prices were determined using comparative analysis between the proposal supplied by the contractor and the architect’s reasonable cost index for the quantity of work described in the change order. This change order has been reviewed for cost reasonableness, time change and validity.
Consideration has been given to the possibility of bidding this change order scope of work out separately and it has been determined the added time associated with the procurement process does not benefit the District in opening schools in a timely manner as indicated in the Master Plan. Additionally, there would be costs associated with bidding this scope of work out that would drastically increase due to the advertisement costs, the bidding phase fee of the Architect as outlined by their contract, the reproduction costs associated with the bidding documents, the additional service of the Architect managing multiple projects, added costs of the lower bidder to handle the general conditions and bid bond, there would be conflicts with insurance coverage, site access and project controls, and the additional costs of the general contractor currently under contract to add to their extended overhead cost for time extension due to changes out of their control. There would be issues regarding the systems not having a valid or multiple warranties due to multiple contracts completing the work.

DESCRIPTION OF CHANGES

<table>
<thead>
<tr>
<th>PCO</th>
<th>Description</th>
<th>Labor</th>
<th>Material</th>
<th>Equipment</th>
<th>OH&amp;P</th>
<th>Insurance/ Bonds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>GC003 001</td>
<td>Change removal format to RACM for all hazardous material in building E; credit for removal of existing debris and the removal of debris from the North hallway wall on the second and third floor.</td>
<td>$133,757.9 $</td>
<td>0.00</td>
<td>0.00</td>
<td>$13,376.79</td>
<td>0.00</td>
<td>$147,144.70</td>
</tr>
</tbody>
</table>

Total For PCO: GC003  $147,144.70

| GC004 001 | Change removal format to RACM for all hazardous material in building A Annex; credit for not removing debris on first floor of gymnasium. | $158,111.00 | 0.00 | 0.00 | $15,611.00 | 0.00 | $173,922.00 |

Total For PCO: GC004  $173,922.00

| GC005 001 | Demolish breezeway roof | $348.00 |

Detailed subcontract change orders grouped by each subcontract change order number.

Prolog Manager  Printed on:  2/10/2014  LRSD
PROJECT NO: 2011853
structure to the chapel; install one
course of bricks and install a
mortar cap over the brick wall.

<table>
<thead>
<tr>
<th>GC006</th>
<th>Item Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>001</td>
<td>General Contractor's Overhead and Profit on work</td>
<td>$39,919.70</td>
</tr>
<tr>
<td></td>
<td>associated with items 03, 04, and 05;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>performance and payment bonds.</td>
<td></td>
</tr>
<tr>
<td>Total</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>GC006</td>
<td>$39,919.70</td>
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<tr>
<td>Total</td>
<td></td>
<td>$391,334.40</td>
</tr>
<tr>
<td>Time Extension</td>
<td></td>
<td>42 Days</td>
</tr>
</tbody>
</table>

Total: $284,188.91 ($1,982.00)  $69,107.46  $391,334.40
Change Order

PROJECT (Name and address): Frederick Douglass High School Refurbishment
3820 St. Claude Avenue
New Orleans, LA 70117

TO CONTRACTOR (Name and address): FHP Techonics Corp
2411 Edenborn Avenue
Metairie, LA 70001

ARCHITECT'S PROJECT NUMBER: 12007
CONTRACT FOR: General Construction

DATE: February 12, 2014

THE CONTRACT IS CHANGED AS FOLLOWS:

The original Contract Sum was $8,588,000.00
The net change by previously authorized Change Orders $213,343.42
The Contract Sum prior to this Change Order was $8,801,343.42
The Contract Sum will be increased by this Change Order in the amount of $378,871.98
The new Contract Sum including this Change Order will be $9,180,215.40

The Contract Time will be increased by Two-Hundred Twenty Two (222) days.
The date of Substantial Completion as of the date of this Change Order therefore is as stipulated in Attachment "A".

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

VergesRome Architects, APAC
ARCHITECT (Firm name)
320 N. Carrolton Avenue
Suite 100
New Orleans, LA 70119

FHP Techonics Corp
CONTRACTOR (Firm name)
2411 Edenborn Avenue
Metairie, LA 70001

Louisiana Department of Education
OWNER (Firm name)
Recovery School District
1615 Poydras Street, Suite 1400
New Orleans, LA 70112

Anthony J. Taffaro, A.I.A.
(Typed name)
February 12, 2014
DATE

Chris Hise
(Typed name)
FEBRUARY 12, 2014
DATE

Roddie Rainier
(Typed name)
16 FEB 2014
DATE

JACOBS/CSRS
PROGRAM MANAGEMENT
RECEIVED
FEB 14 2014

DOCUMENT CONTROL
Change Order

PROJECT: Douglass HS - Refurb 3819 St. Claude Avenue 70117
PROJECT NO: 2012888

Format B: Must include line item scope and separate pricing for labor, material, profit, insurance

How may this scope have been unforeseen/hiden condition from the original scope of work?
The GC was preparing to begin the window replacement work, a sample window was removed to expose the existing conditions. During this activity, a second "inner layer" of caulk was uncovered. While the first "outer layer" of caulk was previously tested and found to be free of hazardous materials, the second layer was unforeseen and subsequent tests determined that the caulk consisted of Regulated Asbestos Containing Material (RACM). The original scope of work for this project consisted of the complete removal and replacement of the exterior wood windows in the occupied school.

How does the order scope impact the project design?
After exploring several different options with the Contractor it was determined that the safest course of action would be to complete the asbestos abatement work during the summer while the school is unoccupied. There are some increased costs associated with summer work. The window of time when the school is unoccupied requires more manpower and extended hours in order to abate the asbestos and complete the window installation before the students return. Consideration has been given to the possibility of bidding this work out separately and it has been determined that since the Contractor has already procured the windows the credit for removing the windows from the scope and the added time and expense associated with the bidding process does not benefit the District.

Are these changes within the contract original scope?

These changes are within the contracts original scope in accordance with La. Rev. Stat. 38:2212

How were these prices determined? Did you consider rebidding? If not explain.

Prices were determined using comparative analysis between the proposal supplied by the contractor and the architect’s reasonable cost index for the quantity of work described in the change order. This change order has been reviewed for cost reasonableness, time changes and validity.

Consideration has been given to the possibility of bidding this change order scope of work out separately and it has been determined the added time associated with the procurement process does not benefit the District in opening schools in a timely manner as indicated in the Master Plan. Additionally, there would be costs associated with bidding this scope of work out that would drastically increase due to the advertisement costs, the bidding phase fee of the Architect as allowed by their contract, the reproduction costs associated with the bidding documents, the additional service of the Architect managing multiple projects, added costs of the lower bidder to handle the general conditions and bid bond, there would be conflicts with insurance coverage, site access and project controls, and the additional costs of the general contractor currently under contract to add to their extended overhead cost for time extension due to changes out of their control. There would be issues regarding the systems not having a valid or multiple warranties due to multiple contracts completing the work.

DESCRIPTION OF CHANGES:

<table>
<thead>
<tr>
<th>PCC</th>
<th>Description</th>
<th>Labor</th>
<th>Material</th>
<th>Equipment</th>
<th>O&amp;P</th>
<th>Insurance/Bonds</th>
<th>Amount</th>
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<tr>
<td>GC042</td>
<td>COR# 049 Asbestos removal</td>
<td>$684,769.78</td>
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<td></td>
<td>Summer 2014 - Window and Storefront replacements</td>
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<td>Total For PCC: GC042</td>
<td>$427,585.6</td>
<td>$62,221.65</td>
<td>$18,423.71</td>
<td>$86,234.89</td>
<td>$90,303.89</td>
<td>$854,769.78</td>
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<tr>
<td>GC043</td>
<td>COR# 054 Credit for flood gates</td>
<td>($305,897.60)</td>
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<td>and FRP materials at the gymnasium; Repair the existing 10m RCP</td>
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<td>Total For PCC: GC043</td>
<td>($173,525.3)</td>
<td>($133,613.69)</td>
<td>$488.27</td>
<td>$1,052.98</td>
<td>0.00</td>
<td>($305,897.60)</td>
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<td>Total:</td>
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<td>($71,692.03)</td>
<td>$18,911.98</td>
<td>$87,287.87</td>
<td>$90,303.89</td>
<td>$378,871.98</td>
</tr>
</tbody>
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Detailed subcontract change orders grouped by each subcontract change order number.

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