

AN ORDINANCE 2018-06-07-0410

APPROVING A CHANGE ORDER IN THE AMOUNT OF \$575,000.00 TO INCREASE A CONSTRUCTION CONTRACT WITH J3 COMPANY LLC TO \$16,584,601.32 FOR TERMINAL AREA TAXIWAY-PACKAGE 2 AT THE SAN ANTONIO INTERNATIONAL AIRPORT.

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WHEREAS, the City regularly coordinates with the Federal Aviation Administration for continued Airport Improvement Program funding for eligible projects at the airport; and

WHEREAS, the Terminal Area Taxiway—Package 2 has been part of an AIP project since 2013; and

WHEREAS, upon completion of the work on the Terminal Area Taxiway—Package 2 Project, J3 Company, LLC submitted a claim for placement of impacted soils, utility delays and utility relocation; and

WHEREAS, through Aviation Department executive-level negotiations and formal mediation, the parties have agreed to resolve the matter for \$575,000.00, increasing the total contract value from \$16,009,601.32 to \$16,584,601.32; and

WHEREAS, it is now necessary to execute a change order using previously appropriated funds from the available project contingency; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:


SECTION 1. The City Manager or her designee is authorized to execute the change order with J3 Company, LLC in the amount of \$575,000.00, as set out in **Exhibit 1**.

SECTION 2. A Payment in an amount not to exceed \$575,000.00 in SAP Fund 40099000, Other Capital Projects, SAP Project Definition 33-00193, Terminal Area Taxiways, is authorized to be encumber made payable to J3 Company LLC, for claims settlement.

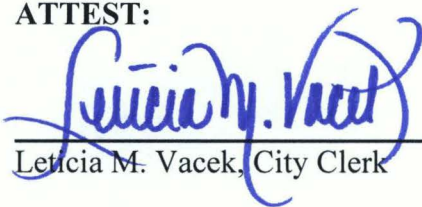
SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager’s designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 7th day of June, 2018.



M A Y O R
Ron Nirenberg

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



for Andrew Segovia, City Attorney

Agenda Item:	10						
Date:	06/07/2018						
Time:	09:29:18 AM						
Vote Type:	Motion to Approve						
Description:	Ordinance approving a change order in the amount of \$575,000.00 to increase a construction contract with J3 Company LLC to \$16,584,601.32 for Terminal Area Taxiways - Package 2 at the San Antonio International Airport. [Carlos Contreras, Assistant City Manager; Russell Handy, Director, Aviation]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x				x
William Cruz Shaw	District 2	x					
Rebecca Viagran	District 3		x			x	
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Greg Brockhouse	District 6		x				
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8		x				
John Courage	District 9		x				
Clayton H. Perry	District 10		x				

MAT
06/07/18
Item No. 10

EXHIBIT 1—CHANGE ORDER



**CITY OF SAN ANTONIO
AVIATION DEPARTMENT
FIELD ALTERATION/ CHANGE ORDER REQUEST**

Form PW-15-Aviation
Rev. 5/2013
(Submit 3 Originals)

Date Prepared: 5/4/2018 Field Alteration No. 37 Project No. 33-00193

Project Name: Terminal Area Taxiway Improvements - Package 2

The revision or amendment described below is to the work originally or previously specified in the contract documents. This notification is hereby requested, including all changes in costs and time. (Describe work to be added or deleted, including SAP Material number. Attach a revised plan sheet affected or drawings.)

This Change Order is for the Settlement of Claims between J3 Contracting and the San Antonio International Airport for the placement of Impacted Soils, the Alternate 3B Utility Delay, and Liquidated Damages. Through Mediation the amount of \$575,000 was agreed to as settlement by both J3 Construction and the San Antonio International Airport. The amounts for each of the Settlements is as listed below:

Impacted Soils settlement amount = \$153,652.04
 Alternate 3B Utility Delay Amount = \$ 534,441.10
 Alternate 3B Utility Relocation = \$ 66,906.86
 Liquidated Damages amount = \$(180,000.00)
 Settlement Amount = \$ 575,000.00

Justification for Proposed Alteration (Describe in detail why this work is to be added or deleted. Use attachments if necessary.):

Throughout the project the listed claims were parts of unsuccessful negotiations between the Engineer and the Contractor. The Dispute Resolution process as described in Section 4.4 of the General Conditions as well as the Alternate Dispute Resolution process and Mediation as described in Section 4.5 of the General Conditions were followed in this Claims process. There were meetings on December 8, 2017 and December 13, 2017 with Senior Management and J3 Construction in which offers and counter offers were presented. However, no agreement could be reached. On May 3, 2018 a Mediation session was held with J3 Construction and The San Antonio International Airport that resulted in the Resolution of the Claims for the Impacted Soil Placement, the Alternate 3B Utility Delay, the Alternate 3B Utility Relocation work and Liquidated Damages associated with the Package 2 project.

The Impacted Soil Placement amounts shall be applied as follows:

Base Bid (AIP 78-14) = \$21,754.60
 Alternate 1 (AIP 77-14) = \$20,432.17
 Alternate 2 (AIP 80-14) = \$55,278.76
 Alternate 3 (AIP 80-14) = \$53,838.88
 Alternate 4 (Local Funds) = \$ 2,347.63
 Settlement Amount = \$153,652.04

The Alternate 3B Utility Delay and Utility Relocation Work shall be applied as follows:

Utility Delay (AIP 80-14) = \$534,441.10
 Utility Relocation work (AIP80-14) = \$ 66,906.86
 Settlement Amount = \$801,347.96


The Liquidated Damages are applied as follows:

Base Bid (AIP 78-14) - 20 Days \$7500.00/Day = \$(150,000.00)
 Alternate 2 (AIP 80-14) - 1 Day \$5000.00/Day = \$(5,000.00)
 Alternate 3A (AIP-80-14) - 5 Days \$5000.00/Day = \$(25,000.00)
 Settlement Amount = \$(180,000.00)

This Change order resolves all claims for Package 2 soil impact claims, 3B delay claims, and resolution of liquidated damages, per the Settlement agreement entered into by both J3 Construction and the City of San Antonio.

Increase Decrease \$ 575,000.00
 Increase Decrease
 Working Days Calendar Days # Days _____

Field Alteration will result in change to Contract Days as:
 (To be negotiated by the Contractor and the City)

REQUESTED BY:	
 Hugh Jans, Vice President J3 Company LLC	<u>5/11/18</u> Date
 Mike Norby, Project Manager Kimley-Horn and Associates, Inc.	<u>5/4/2018</u> Date
AVIATION DEPARTMENT APPROVALS	
RECOMMENDED FOR APPROVAL BY:	
 Candyce Selby, P.E., Senior Airport Engineer	<u>5/11/18</u> Date
APPROVED BY:	
 Dennis D. Flemyer, P.E., PMP, Manager, Construction & Development	<u>5/11/18</u> Date
Loyce D. Clark, Chief Asset and Planning Officer	Date
Russell J. Handy, Aviation Director	Date

This Field Alteration Amount: **\$ 575,000.00**
 Total Original Contract: **\$ 15,582,841.00**

Approved Contingency Alternate 2 and 3

Base Bid, Alt 1 & 4

Summary

WBS Element:	33-00193-05-02		
Approved Contingency Amount:	\$ 1,300,514.00	\$ 1,632,294.00	\$ 2,932,808.00
Previous Field Alterations using CONTINGENCY :	\$ 37,761.49	\$ 388,998.83	\$ 426,760.32
This Field Alteration:	\$ 680,465.60	\$ -105,465.60	\$ 575,000.00
Bid Field Alterations to date using Contingency:	\$ 718,227.09	\$ 283,533.23	\$ 1,001,760.32
Balance:	\$ 582,286.91	\$ 1,348,760.77	\$ 1,931,047.68
KHA Amend #5 Add CA Services	206,817.06	536,389.82	743,206.88

Project Field Alterations to date using Contingency (Including KHA): \$ 1,744,967.20
 Remaining Contingency: 1,187,840.80

REVISED CONTRACT VALUE: \$ 16,584,601.32

Percent of Original Contract: **6.43%**
 (Contract value will only change if "Contingency" is utilized. Revised Contract Value can not exceed 25% of Original Contract.)

Vendor #: 1038714 Original Ordinance #: 2014-2-13-0086 This FA Ordinance #: NA
 Purchase Requisition #: _____ Contract #: 4600014304 Purchase Order #: 4500397211

NOTE: This form is a local government record and shall be retained in accordance with the provisions of the Local Government Code, Section 201.