



TOWNSHIP OF WEST ORANGE

25 LAKESIDE AVENUE, WEST ORANGE, N.J. 07052

DEPARTMENT OF PUBLIC WORKS

ROBERT D. PARISI

Mayor

LEONARD R. LEPORE

Director, Township Engineer

Tel: (973) 325-4160

Fax: (973) 669-9588

September 3, 2014

Email: engineering@westorange.org

Mayor and Township Council
Municipal Building
66 Main Street
West Orange, New Jersey 07052

RE: **LLEWELLYN PARK ROADWAY AND SANITARY SEWER IMPROVEMENTS**

Mayor Parisi, Council President McCartney, Councilwoman Spango and Gentlemen:

Earlier this year by Ordinance No. 2409-14 adopted on May 6, 2014 you authorized additional funding of \$550,000 for Llewellyn Park Roadway and Sanitary Sewer Improvements. The Llewellyn Park Committee of Managers by letter dated August 4, 2014 requested the Township authorize an additional appropriation of \$545,000 as Change Order No. 2 for the contract Llewellyn Park Roadway and Sanitary Sewer Improvements with Sanitary Construction Company, Inc. of 415 Franklin Avenue, Rockaway, New Jersey 07866. In June, 2012 by Resolution No. 126-12 you authorized a contract with Sanitary Construction Company, Inc. for Llewellyn Park Roadway and Sanitary Sewer Improvements in the amount of \$3,483,873.00. This was for their Base Bid plus Alternate No. 1.

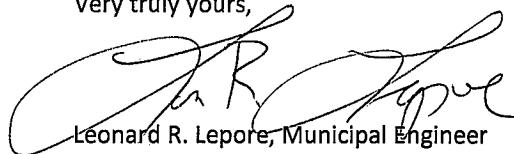
As the work progressed, numerous significant and unforeseen field conditions were discovered, and these needed to be addressed so that the improvements would be constructed to the quality level, standards and longevity that was anticipated by the construction plans and bid specifications. Please see the attached memo dated August 25, 2014 prepared by Carl A. Jenne, P.E. of Jenne Associates, LLC the design engineer for this project and the project administrator and inspector for the Township. In this memo Mr. Jenne describes various conditions associated with sanitary sewer improvements, roadway improvements and drainage improvements. As a result of these unforeseen conditions you approved Resolution No. 165-13 on August 20, 2013. This approved Change Order No. 1 authorized additional funding in the amount of \$348,387.00 for roadway and sanitary sewer improvements in Llewellyn Park by Sanitary Construction Company. This funding was to perform work within the scope of the original contract, plans and specifications, but necessitated by the additional expenditures required to address unforeseen field conditions. This brought the total amount of funding authorized for this project to \$3,832,260.00. To date a total of \$3,827,593.70 has been expended on this project. However a number of the improvements specified in the original documents remain to be completed. See the previously referenced memo and attached construction drawings sheets P-1 and S-4.

To complete the improvements Mr. Jenne and Mr. John Bober of the Llewellyn Park Committee of Managers negotiated the cost of this work on a lump sum basis. The work to be performed is depicted on Drawings P-1 and S-4 and itemized in the proposal of Sanitary Construction Company, Inc. dated August 15, 2014. The lump sum cost of the work is \$500,000. Mr. Jenne estimates that this cost is about ten percent less than it would be based on the unit prices bid for the various construction items by Sanitary Construction Company. However some work will still be performed based on unit prices bid in the contract. The cost of that work is estimated at \$45,000 which includes a contingency. The total additional funding requested to complete the Llewellyn Park Roadway and Sanitary Sewer Improvements is \$545,000. This will bring the total authorized contract amount to \$4,377,260.00.

The adjusted contract amount of \$4,377,260.00 through Change Order No. 2 represents an increase of \$893,387.00 over the original contract award amount of \$3,483,873.00. This is a 25.64 percent increase in the contract amount. The Change Order is to perform work on roadways sewers in Llewellyn Park that were part of the original documents. The additional funding is needed due to the unforeseen conditions that needed to be addressed as the work proceeded on other roadways and infrastructure in Llewellyn Park. The State's Administrative Code, specifies procedures for authorizing Change Orders in excess of 20 percent of the original awarded contract price. The procedures include a statement by me the contracting unit's engineer. Consequently, I recommend that you authorize Change Order No. 2 in the amount of \$545,000 for the contract Llewellyn Park Roadway and Sanitary Sewer Improvements with Sanitary Construction Company Inc. which will bring the total contract amount to \$4,377,260.00 or a 25.64 percent increase over the original award amount of \$3,483,873.00. This Change Order is necessitated by the unforeseen field conditions in Llewellyn Park, one of the Country's older planned communities. This caused additional expenditures as the project progressed. The additional appropriation associated with this contract is to complete roadway and sewer improvements that were specified in the original documents, and it does not represent an expansion in the scope of the project. The costs for this additional work were negotiated on a lump sum basis, and it represents a reduction from the estimate cost of the improvements if the unit prices bid were used. To award as a separate contract for this work would likely result in higher costs as Sanitary Construction Company, Inc. can achieve economies of scale as a result of their presence in Llewellyn Park.

Therefore I request you approve the attached Resolution which authorizes Change Order No. 2 for the project Llewellyn Park Roadway and Sanitary Sewer Improvements with Sanitary Construction Company, Inc., 415 Franklin Avenue, Rockaway, N.J. 07866 in the amount of \$545,000. This Change Order authorizes the additional work depicted on Construction Drawings P-1 and S-4 prepared by Jenne Associates and revised July 17, 2014, described by Mr. Jenne in his memo of August 25, 2014 for the lump sum cost of \$500,000 as stated by Sanitary Construction Company, Inc., in their proposal of August 15, 2014 plus \$45,000 for contingencies and items that will be compensated on a unit price basis and are not part of the lump sum cost.

Very truly yours,



Leonard R. Lepore, Municipal Engineer
Director of Public Works

LRL/tp

enc.

cc: John K. Sayers
John Gross
Richard D. Trenk
Kenneth Kayser
Llewellyn Park Committee of Managers
Carl Jenne
William Cervino

file:Llewellyn park roadway and sanitary sewer improvements

RESOLUTION

WHEREAS, by Resolution No. 126-12, dated June 26, 2013, the Township Council awarded a contract to Sanitary Construction Company, 415 Franklin Avenue, Rockaway, New Jersey 07866 in the amount of \$3,483,873 for Llewellyn Park Roadway and Sanitary Sewer Improvements; and

WHEREAS, these improvements were being made pursuant to Ordinance No. 2323-11 which authorized the Township to make the improvements and assess the benefitting property owners for their cost; and

WHEREAS, the Township by Ordinance No. 2358-12 appropriated \$4,184,305.00 for this project of which \$500,000 consisted of a cash deposit by the Llewellyn Park Committee of Managers; and

WHEREAS, the Township by Resolution No. 165-13 dated August 20, 2013 at the request of the Llewellyn Park Committee of Managers authorized additional funds in the amount of \$348,387.00 by approving Change Order No. 1; and

WHEREAS, this additional funding was used to address additional costs associated with unforeseen field conditions and it increased the authorized funding for this contract to \$3,832,260.00 or a ten percent increase over the original contract award amount; and

WHEREAS, as the work continued more field conditions needed to be addressed and as of August 2014 the total amount expended for this project was \$3,827,593.70 but several roadway and sewer improvements specified in the original contract bid documents and specifications still needed to be completed; and

WHEREAS, by Ordinance No. 2409-14 adopted May 9, 2014 the Township appropriated an additional \$550,000 for Llewellyn Park Roadway and Sanitary Sewer Improvements; and

WHEREAS, in August 2014 Carl Jenne of Jenne Associates, LLC the project's designer and contract administrator and inspector for the Township and John Bober of the Llewellyn Park Committee of Managers negotiated a lump sum price of \$500,000 to complete the remaining improvements plus an allowance of \$45,000 for unit price and contingency items as depicted on Construction Drawings P-1 and

S-4 prepared by Jenne Associates and revised July 17, 2014, described by Mr. Jenne in his memo of August 25, 2014 and as stated by Sanitary Construction Company, Inc., in their proposal of August 15, 2014

WHEREAS, Mr. Jenne estimated the cost of this additional work is about ten percent less than it would be based on unit prices bid in the contract; and

WHEREAS, the Llewellyn Park Committee of Managers by letter dated August 4, 2013 requested the Township authorize Change Order No. 2 with Sanitary Construction Company, Inc., in the amount of \$545,000 to complete the improvements specified in the original bid documents; and

WHEREAS, the additional funding increases the total authorized funding for this contract to \$4,377,260.00 or a 25.6 percent increase over the original award amount.; and

WHEREAS, the State's Administrative Code specifies procedures for authorizing Change Orders in excess of 20 percent which includes a statement by the contracting unit's engineer; and

WHEREAS, the Municipal Engineer by letter dated September 3, 2014 recommended Change Order No. with Sanitary Construction Company, Inc. in which he stated:

- This Change Order is necessitated by the unforeseen field conditions in Llewellyn Park, one of the Country's older planned communities which caused additional expenditures as the project progressed.
- The additional appropriation associated with this contract is to complete roadway and sewer improvements that were specified in the original documents, and it does not represent an expansion in the scope of the project.
- The costs for this additional work were negotiated on a lump sum basis, and it represents a reduction from the estimate cost of the improvements if the unit prices bid were used.
- To award as a separate contract for this work would likely result in higher costs as Sanitary Construction Company, Inc. can achieve economies of scale as a result of their presence in Llewellyn Park.

; and

WHEREAS, sufficient funds exist for this Change Order; and

WHEREAS, the Township Council concurs in the foregoing.

NOW THEREFORE BE IT RESOLVED by the Township Council of the Township of West Orange that Change Order No. 2 for the contract Llewellyn Park Roadway and Sanitary Sewer Improvements between Sanitary Construction Company, 415 Franklin Avenue, Rockaway, New Jersey 07866 and the

Township of West Orange which authorizes additional funding in the amount of \$545,000 to complete all improvements as originally specified in the bid documents and plans which brings the total amount authorized through Change Order No. 2 for this project to \$4,377,260 or a 25.64 percent increase from the original contract amount is approved.

BE IT FURTHER RESOLVED that the Mayor and Municipal Engineer are authorized to sign the Change Order

BE IT FURTHER RESOLVED that in accordance with the State's Administrative Code a notice of the Change Order shall be published in the West Orange Chronicle.

KAREN J. CARNEVALE, MUNICIPAL CLERK

SUSAN McCARTNEY, COUNCIL PRESIDENT

I hereby Certify funds are available from:

Account No.

03-2358-12-0010-010 \$76,791.51

03-2358-12-0010-020 \$468,208.49

JOHN GROSS, CHIEF FINANCIAL OFFICER

Memorandum

TO: File
FROM: Carl A. Jenne, PE
SUBJECT: Change Order #2
Sanitary Construction Company, Inc.
2012 Llewellyn Park Roadway/Sewer Improvements

DATE: August 25, 2014
CC: Leonard Lepore, West Orange Township Engineer
John Bober, Llewellyn Park Committee of Managers

Scope of Work and Negotiation:

During May and June I undertook a detailed analysis of the work remaining on the referenced contract and prepared revised plans and estimates for the work, shown on the attached revised Contract Plan Sheets P-1 and S-4. (Plan Sheet P-1 presents a comprehensive presentation of all roadway/drainage/culvert work identified as of that time, including work outside the scope of the original contract, which the Committee of Managers will need to address in the future.)

The remaining contract work is summarized as follows (highlighted in red on Plan Sheet P-1):

- Llewellyn Place
- Maintenance Yard
- Mountain Avenue from #110 to Tulip Avenue
- Oak Bend from Mountain/Wildwood to Park Way
- Park Way from Main Street to Glen Avenue
- Portions of Parkway between Oak Bend and Mountain Avenue (not in original scope but damaged as a result of construction vehicle traffic)
- Tulip Avenue from Forest/Trefoil to I-280
- CIPP work at Rocky Way
- Miscellaneous stone swale, stone rip rap, curbing and video inspection of sewers prior to paving

In late June and July John Bober and I undertook negotiations with SCC in an attempt to reach a mutually agreeable price for this work. The negotiations resulted in splitting the work into two categories: Quantifiable roadway related work (negotiated as a lump sum) and other remaining work (estimated based on existing unit prices and an additional contingency).

For the roadway work, a lump sum price of \$500,000 was negotiated which we felt was both fair and advantageous to the Committee of Managers and West Orange (copy of their quote). For the other work, an additional amount of \$45,000 was estimated.

The final price negotiated is approximately 30% less than the first price presented by SCC for the work and at or below the costs I estimated if we went out to bid for a new contract to complete the work (as would be expected since SCC is familiar with the area as well as the specific work effort required).

JENNE ASSOCIATES, LLC

Consulting Engineers

1362 Crim Road

Bridgewater, NJ 08807

Telephone: (908) 698-2890

Fax: (908) 926-2359

Memorandum

Subject: 2012 Llewellyn Park Roadway and Sewer Improvements – Change Order #2

Date: August 1, 2014

Page 2 of 3

We presented this to the Committee of Managers who voted on 8/4/2014 to recommend approval of the \$545,000 change order to West Orange, increasing the total contract amount to \$4,377,260 (\$3,483,873 original award plus CO#1 previously approved for \$348,387 plus this CO#1 of \$545,000).

The total contract increase of \$893,387 amounts to 25.6% of the original award (\$196,612 over 20%).

Justification for total contract increase exceeding 20% of original contract:

The original bid documents reflected quantity estimates based on the best available information at that time regarding the work that would be required to complete the work under the contract.

The roadway, sewer and drainage systems in Llewellyn Park are extremely old and have fallen into a state of disrepair and deterioration owing to deferred maintenance and repairs. While the design process recognized the poor condition of the existing systems, budgetary constraints on both the design and construction did not allow for construction under a "worst-case scenario".

Significant unforeseen changed conditions were uncovered when construction began which needed to be addressed in order to obtain the quality of project that was anticipated in the bid.

Sewer work

- Sewer pipe work in the original contract was based on replacement of existing VCP pipe with new SDR35 pipe between existing manholes or lining of the existing pipes using CIPP methods. Reasonable assumptions were made regarding the location of adjacent utilities and the ability of the utility companies to accurately locate their facilities prior to construction.
- As construction proceeded, it became clear that the utility company records in Llewellyn Park were poor, at best, and there were numerous occasions where utilities were both not found where indicated and found in locations were not indicated.
- It also became clear that many sections of sewer pipe that needed to be replaced had utility lines over and alongside them making replacement in the same location very costly. This appears to be a result of the utility lines being installed after the sewer pipe without keeping the facilities separate (as is current practice).
- These issues resulted in the need for an extensive test pit program to locate the facilities/conflicts prior to construction and additional manholes to reroute some of the pipes to a different location in the roads to clear conflicting utilities.

Roadway work

- Roadway work in the original contract was based on milling and resurfacing the roadway with limited full depth repairs and the extensive use of geotextile fabric (based on 15 pavement cores undertaken during design).
- As construction progressed, it was found that the existing pavement was significantly thinner than was anticipated with many areas exhibiting on 1 to 2 inches of total asphalt (vs a desired 4 to 6").
- The thin pavement did not allow for the use of the geotextile fabric and required additional asphalt levelling course on many of the streets.
- The thin pavement in the shoulder areas required significantly more milling and asphalt to obtain the proper strength at the shoulder pavement edge.

Drainage work

- Drainage work in the original contract was based on limited repairs of known areas experiencing drainage issues.

Memorandum

Subject: 2012 Llewellyn Park Roadway and Sewer Improvements – Change Order #2

Date: August 1, 2014

Page 3 of 3

- As construction progressed, it was found that many of the inlets were not structurally sound and the many of the drainage pipes under the roadways were in poor condition (design video inspections were limited to the sanitary sewer pipes and the known locations where there were drainage issues).
- In order to maintain the expected design life for the roadway work the additional drainage issues in the roadways needed to be addressed before the roadway work was undertaken (drainage issue outside the roadway were left for a future time).

All the work included in the change orders is within the scope of the original contract and does not result in the undertaking of new or different work or project nor does it substantially change the quality or the character of the work items in the original bidding. Repairs to Park Way between Oak Bend and Mountain Avenue are a direct and unanticipated result of the heavy construction truck traffic.

The additional sanitary sewer, roadway and drainage work is required to maintain the integrity of the final roadway re-paving and achieve the design life expected at the time of the bid.

John and I agree that the prices negotiated with SCC are fair and reasonable and that issuing the change order is in the best interests of West Orange and the Llewellyn Park Committee of Managers.



Sanitary Construction Company, Inc.

415 Franklin Avenue
Rockaway, NJ 07866
Phone: (973) 664-0250 Fax: (973) 664-0289
www.sanitaryconstruction.com
UTCANJ/OSHA Blue Level Partner

To:	Township Of West Orange	Contact:	Mr. Carl Jenne
Address:	66 Main Street West Orange, NJ 07052	Phone:	908.698.2890
Project Name:	Added Base Bid W. Orange Lewellyn Park	Bid Number:	200913265
Project Location:	Lewellyn Park, West Orange, NJ	Bid Date:	7/18/2012

Per Contract is for Roadway Work shown on plans "Roadway and Sewer Plan P-1, Revised 7/17/14 and " Maintenance Bid, Drainage Improvements Plan S-4" ,revised 7/17/14 excluding Glen Avenue and Park Way between Oak Bend and Mountain Avenue-Lump Sum Price -\$500,000as a change order to our existing contract with West Orange , as negotiated with John Bober and Carl Jenne.

Item #	Item Description
1	Milling 2" Variable Depth MAX 3" 40" Width
2	Roadway Excavation, Unclassified
4	Hot Mix Asphalt 9.5m64--Base
4	Hot Mix Asphalt 9.5m64--Leveling
5A	Hot Mix Asphalt 9.5m64-Overlay
6	Geotextile Paving Fabric
8	Replace Belgium Block Curb
10	DGA Base Course 6" Thick
11	DGA Pipe Backfill
16	Reset MH Casting
19	15" HDPE Storm Drain-- Maintenance YArD
20	Type A-1 Inlets
22	Type E Inlets
46	Construct Speed Hump--
55	Ejector Piping
59	Stone Filter Berm 4' Width X 2' Height

Total Bid Price: \$500,000.00

Payment Terms:

Payment Terms are Net 30 with Retainage at a max of 2%

ACCEPTED: The above prices, specifications and conditions are satisfactory and are hereby accepted. Buyer: _____ Signature: _____ Date of Acceptance: _____	CONFIRMED: Sanitary Construction Co., Inc. Authorized Signature:  Estimator: _____
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COMMITTEE OF MANAGERS OF LLEWELLYN PARK

ONE PARK WAY LLEWELLYN PARK WEST ORANGE, NEW JERSEY 07052

Website: www.llewellynpark.com Email: lpoffice@verizon.net

Telephone (973) 731-5010 Fax (973) 325-6339

August 4, 2014

Mr. Leonard Lepore, PE
Director of Engineering and DPW
Township of West Orange
25 Lakeside Avenue
West Orange, NJ 07052

Dear Mr. Lepore:

Please be advised that the Llewellyn Park Committee of Managers has reviewed the recommended additional contract work and cost for Sanitary Construction Company for the 2012 Llewellyn Park Roadway and Sewer Project, prepared by Carl A. Jenne, PE, and approves Change Order 2 increasing the value of their contract by an additional \$545,000.00. The new contract total amount will be \$4,377,260.00 (original award of \$3,483,873.00 plus \$348,387.00 Change Order 1 plus \$545,000.00 for Change Order 2).

The above was approved by a 7-0 vote at our August 4, 2014.

Kindly forward this letter to the Mayor and Town Council for their consideration in approving the contract change order.

Sincerely,

Heath Betke Shelby

Chair, Committee of Managers