

MEMORANDUM

TO: Graham Waters, Town Manager

FROM: Tim DeGuglielmo, Project Manager

DATE: October 18, 2017

SUBJECT: Quidnick Village – Hazard Street Sewer Project, Contract 8C
Proposed Termination Locations and Associated Construction Costs

Per the Town Council's Resolution on October 16, 2017, the purpose of this Memorandum is to summarize the construction costs for the Quidnick Village – Hazard Street Sewer Project, Contract 8C and provide an estimate of approximate construction costs at recommended termination locations for the project.

The Town has also sent a notification letter on October 17, 2017 to the Contractor indicating that it is the intention of the Town to terminate the project at an appropriate stopping point.

Please note that the estimated costs below include a contingency and an estimate of the final road restoration (i.e. milling and paving) costs to each of the proposed stopping points. These construction costs do not include police detail costs, or other Town related borrowing costs.

In addition, by terminating the contract, the Contractor could be eligible for valid expenses/claims under Items 1, 2, 3, or 4 of Part 15.03 in Section 00700 of the Contract Documents (excerpts of the applicable Contract Document pages have been attached). These costs have not been included, as they must be calculated/submitted by the Contractor for review and may differ based on the location of the stopping point on the project.

As of October 17, 2017, end of day, the Contractor is at approximate Station (STA) 3+39 and has provided six (6) building connection services to properties along Hazard Street. The total estimated construction costs are approximately \$160,000.

It is recommended to extend the sewers to end at a manhole, which will allow the current installed sewers to be better used by the Town by providing access on either end of the pipe for maintenance.

The next proposed sewer manhole on the project is at the intersection of Knight Street (approximate STA 4+00). The estimated total construction costs to extend the sewer to this point are approximately \$200,000. No additional building connection services will be provided to properties beyond the six

(6) services already installed. One additional manhole would be installed at the intersection of Knight Street.

Based on test pits performed in the field, it appears that the rock encountered thus far in the project will drop off from the intersection of Knight Street to the intersection of Sharp Street (approximate STA 5+70).

Should the rock drop off as assumed from these test pits, to extend and finish the project at the intersection of Sharp Street (approximate STA 5+70) the estimated total construction costs are approximately \$260,000. Five (5) additional building connection services would be provided beyond the six services already installed as part of the project (total of 11 properties served). In addition to the manhole installed at the intersection of Knight Street (discussed above), a manhole would be installed at the intersection of Sharp Street.

We expect that the installation of two (2) additional manholes and approximately 230 feet of pipe will also reduce the cost of materials not utilized on the job, which would improve the cost effectiveness of the project.

under this paragraph OWNER shall not be required to obtain the lowest price for the Work performed.

C. Where CONTRACTOR's services have been so terminated by OWNER, the termination will not affect any rights or remedies of OWNER against CONTRACTOR then existing or which may thereafter accrue. Any retention or payment of moneys due CONTRACTOR by OWNER will not release CONTRACTOR from liability.

15.03 OWNER May Terminate For Convenience

A. Upon seven days written notice to CONTRACTOR and ENGINEER, OWNER may, without cause and without prejudice to any other right or remedy of OWNER, elect to terminate the Contract. In such case, CONTRACTOR shall be paid (without duplication of any items):

1. for completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;

2. for expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;

3. for all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and

4. for reasonable expenses directly attributable to termination.

B. CONTRACTOR shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

15.04 CONTRACTOR May Stop Work or Terminate

A. If, through no act or fault of CONTRACTOR, the Work is suspended for more than 90 consecutive days by OWNER or under an order of court or other public authority, or ENGINEER fails to act on any Application for Payment within 30 days after it is submitted, or OWNER fails for 30 days to pay CONTRACTOR any sum finally determined to be due, then CONTRACTOR may, upon seven days written notice to OWNER and ENGINEER, and provided OWNER or ENGINEER do not remedy such suspension or failure within that time, terminate the Contract and recover from OWNER payment on the same terms as provided in paragraph 15.03. In lieu of terminating the Contract and without prejudice to any other right or

remedy, if ENGINEER has failed to act on an Application for Payment within 30 days after it is submitted, or OWNER has failed for 30 days to pay CONTRACTOR any sum finally determined to be due, CONTRACTOR may, seven days after written notice to OWNER and ENGINEER, stop the Work until payment is made of all such amounts due CONTRACTOR, including interest thereon. The provisions of this paragraph 15.04 are not intended to preclude CONTRACTOR from making a Claim under paragraph 10.05 for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to CONTRACTOR's stopping the Work as permitted by this paragraph.

ARTICLE 16 - DISPUTE RESOLUTION

16.01 Methods and Procedures

A. Dispute resolution methods and procedures, if any, shall be as set forth in the Supplementary Conditions. If no method and procedure has been set forth, and subject to the provisions of paragraphs 9.09 and 10.05, OWNER and CONTRACTOR may exercise such rights or remedies as either may otherwise have under the Contract Documents or by Laws or Regulations in respect of any dispute.

ARTICLE 17 - MISCELLANEOUS

17.01 Giving Notice

A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

17.02 Computation of Times

A. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.03 Cumulative Remedies

A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract Documents, and the provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 Survival of Obligations