

BOARD OF PUBLIC WORKS

Date of Meeting: November 4, 2022, at 10:30 a.m. in the Council Chambers

Members Present: Eric Lindman, Anne Jacobson, Maryanne Groat

Also Present: Tom Kilian, Lori Wunsch, Karl Kemper – Becher Hoppe, Steve Opatik – Becher Hoppe, Mike Gerbitz – Donohue, Paul Auer – Miron
Via WebEx: Susan Wojtkiewicz – Donohue, Kevin Long - Quarles

In compliance with Chapter 19, Wisconsin Statutes, notice of this meeting was posted and received by the *Wausau Daily Herald* in the proper manner.

Discussion and possible action on Work Change Directive #16 with Miron Construction for the Drinking Water Treatment Facility

Lindman read the following statement:

The new drinking water treatment facility project is nearing completion and is a culmination of effort from city staff, engineers, rate payers, elected officials that began over 6-years ago. Miron Construction, contractor hired to complete construction, is again not meeting contract deadlines. I will say once again this is beyond frustrating to have a contractor that is not capable of meeting construction timelines. The new Drinking Water Treatment Facility is a critical piece of infrastructure that will improve public health with a higher quality water and reduce potential health risks to the public. The city extended the previous contract deadline from August 16 to October 4 and the proposal today is again to extend the contract date due to Miron's inability to manage their contract with the city and complete the work. To date the city has assessed over \$250,000 in liquidated damages to Miron which is being used to offset the city's additional costs for the project. The work change directive in front of us has been discussed in detail with Miron, engineers and city staff. This is the fastest schedule to meet substantial completion and provide treated water to the public before year end. This also ensures the city's legal options remain intact through the remainder of the project, establishes specific deadlines, and establishes escalating liquidated damages beyond the completion dates.

A Work Change Directive (WCD) is authorizing the contractor to complete the additional work that is not currently in the contract and to establish an approximate value and timeline for the work. The actual contract amendment and or change will be done through a change order that will typically further clarify details, the WCD is what is before us today to keep the project moving forward.

The city has been conferring with legal counsel throughout this process to ensure the city's obligations to the contract are intact and reserving all rights available to the city moving forward with the contractor. It is in the city's best interest to work with Miron to find a schedule for completion in order to mitigate further delays while being able to hold one contractor accountable for all of the work and warranty work once the project is complete.

Where are we with the facility? This agreed upon schedule starts running the new facility once again beginning November 11. What this means is the facility will be run 24/7 to fine tune treatment processes, work out any mechanical issues and ensure automation is working properly. From this we will move into system demonstration meaning we will run the new facility for 7-days straight without any significant issues and will also be training city staff on operations. This system demonstration is set to be completed December 9 at which time the final water main connections will be completed and final change over of all the wells and communications will be brought to the new facility. With DNR's concurrence the new facility will begin providing water to the community before year end. Make no mistake this is a very aggressive schedule, and it will only work if Miron is actually able to perform their obligations under the

contract. City staff and engineers are making every accommodation possible for Miron to succeed but the responsibility is on the contractor to meet their obligations.

Lindman explained the Work Change Directive outlines some of the proposed date changes, authorizes the work to be complete, and provides a potential cost for the project. That cost will be monitored on a time and materials basis.

Kevin Long explained that the Work Change Directive is a change directive by the owner to the contractor that says this is how work is going to change, the contractor is going to do that work, the contractor and the owner will continue to work towards a change order, which is different than a work change directive. A change order will amend the contract. It is believed a change order will be coming in the near future provided that the contractor continues forward with work at this time.

Jacobson asked if by approving this work directive, we are agreeing to the pricing of \$98,900.89. Lindman confirmed and said it will be tracked through time and material and adjusted as appropriate. The amount includes gas and electric costs. If the plant is turned over with substantial completion prior to, then the costs will come back to the City.

Tom Kilian, Alder for District 3, heard there will be a release regarding this matter and wondered if documents would be included with the release since the Common Council and the public have not received any details on this matter or prior matters related to the new facility. Lindman confirmed the documents would be included.

Groat moved to accept Work Change Directive 16_R1. Jacobson seconded and the motion passed 3-0.

Discussion and possible action on an amendment to the agreement with Becher Hoppe regarding the Drinking Water Treatment Facility

Lindman explained this agreement reduces the contract amount by what staff has discussed with the engineers related to the chemical feed tubing replacement costs.

Groat moved to approve. Seconded by Lindman.

Jacobson noted that this amendment includes Donohue providing consulting services at no cost to the City and a deduction to the contract amount for Becher Hoppe. Lindman explained the deduction in the contract amount is \$23,273.15. Donohue has agreed to waive any future costs through December 9, 2022, an estimated cost of \$112,051.50. This document will also be included with the press release.

There being a motion and a second, motion to approve passed 3-0.

Groat moved to adjourn the meeting. Seconded by Jacobson and the motion passed 3-0. Meeting adjourned at approximately 10:45 am.