

RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING CHANGE ORDER NO. 22 TO THE  
CONTRACT WITH GREAT LAKES DREDGE AND DOCK, LLC  
FOR LAKE DECATUR DREDGING OF BASIN 1-4 AND THE  
REHABILITATION OF THE OAKLEY SEDIMENT BASIN  
CITY PROJECT W1314**

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**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DECATUR,  
ILLINOIS:**

Section 1. That Change Order No. 22 to the contract between Great Lakes Dredge and Dock, LLC, and the City of Decatur, for Lake Decatur Dredging of Basin 1-4 and Rehabilitation of Oakley Sediment Basin, attached hereto as Exhibit A, be authorized in the amount of \$1,450,000.00.

Section 2. That the Mayor and the City Clerk be, and they are hereby, authorized and directed to execute said Change Order No. 22 to Contract between the City of Decatur, Illinois and Great Lakes Dredge and Dock, LLC.

PRESENTED and ADOPTED this 16th day of December 2019.

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Julie Moore Wolfe, Mayor

ATTEST:

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Kim Althoff, City Clerk



City of Decatur, Illinois  
#1 Gary K. Anderson Plaza  
Decatur, IL 62523-1196

## Exhibit A

# Change Order

Date: 11-14-2019 Project: Lake Decatur Dredging  
Request No. 22 ☐ Final Project Number: W1314

Contractor: Great Lakes Dredge and Dock  
Address: 2122 York Rd  
Oak Brook, IL

I recommend that an ☐ addition of \_\_\_\_\_ be made to the above contract.  
☐ deduction

I recommend that an extension of \_\_\_\_\_ days be made to the above contract completion date.

The revised completion date is now August 1, 2020.

Amount of original contract	\$	<u>89,504,535.96</u>	
Amount of current change order	\$	<u>1,450,000.00</u>	
Amount of adjusted/final contract	\$	<u>89,504,535.96</u>	No Change to Final Authorized Contract Limit

**State fully the nature and reason for the change order** This change order settles claims issued by GLDD for insufficient capacity at the Oakley Sediment Site as contained in their transmittal dated March 22, 2019, and attached hereto as Exhibit #1. Additional conditions pertaining to this Change Order are detailed on Exhibit #2 and paid separate to the above stated "amount of current change order".

When the net increase or decrease in the cost of the contract is \$10,000 or more or the time of completion is increased or decreased by 30 days or more, one of the following statements shall be checked.

The undersigned determine that the change is germane to the original contract as signed, because:

<input type="checkbox"/>	Provision for this work is included in the original contract.
<input checked="" type="checkbox"/>	Work of this type was included in the original contract, and the additional efforts of this work are within the intent of the contract.
<input type="checkbox"/>	The change represents an adjustment required by the contract, based on unpredictable developments in the work.
<input type="checkbox"/>	The change in design is necessary to fulfill the original intent of the Contract.
<input type="checkbox"/>	Other: (Explain)

Approved **Steven L Lane**  
Great Lakes Dredge & Dock Co., LLC

Digitally signed by Steven L Lane  
DN: cn=Steven L Lane, o=Great Lakes Dredge and Dock Co., ou=Rivers & Lakes Division, email=slane@gldd.com, c=US  
Date: 2019.11.18 06:55:32 -06'00'

V.P. - Rivers & Lakes Division Manager 11/18/2019  
Title Date

Approved \_\_\_\_\_  
Mayor  
\_\_\_\_\_  
Date

Attested \_\_\_\_\_  
City Clerk  
\_\_\_\_\_  
Date



GREAT LAKES DREDGE  
& DOCK COMPANY, LLC

2122 YORK ROAD,  
OAK BROOK, IL 60523  
630.574.3000

March 22<sup>nd</sup>, 2019

Ref: R1102/SRM/DSC/SL-032

Via Email: [KMyers@chastainengineers.com](mailto:KMyers@chastainengineers.com)  
Chastain & Associates LLC.  
5 North Country Club Road  
Decatur, IL 62521

Via Email: [MNewell@decaturil.gov](mailto:MNewell@decaturil.gov)  
City of Decatur  
One Gary K. Anderson Plaza  
Decatur, IL 62523

Attention: Mr. Kevin E. Myers, P.E.

Attention: Mr. Matthew Newell, P.E.  
City Engineer

Reference: Lake Decatur Dredging of Basin 1-4 and  
Rehabilitation of Oakley Sediment Basin  
City of Decatur Project No. W1314  
**Cost Claim for Berm Modifications at the Oakley Sediment Basin due to Insufficient  
Contract Design Capacity**

Dear Kevin and Matthew,

Per your letter request dated June 5<sup>th</sup> 2018, we have reorganized our detailed proposal submitted February 6<sup>th</sup> 2018 ("Proposal") and addressed the comments outlined in your letter.

We have split our Proposal into the following six major components, which we will discuss further subsequently in this letter:

1. Change Order 13 – Costs for the Berm Modifications to Hold the Contract Design Quantity
2. 2018 Standby during the Construction of the Perimeter Berms of Cell D
3. Additional Dewatering & Surveys during the Winter 2016/2017 Dredging Season
4. Additional Dewatering & Disposal Area Management Efforts during the 2017 Dredging Season
5. Shutdown/Standby for modifications to the polishing pond & migrating efforts to extend the dredging season and reduce stand by costs to the City
6. Early shutdown/suspension for the 2017 dredge season

The actual costs for the items 2 – 6 listed above that GLDD incurred to date for delays, suspension of work, and other expenses directly resulting from the insufficient design capacity issue at the OSB are detailed below and attached, and form this certified claim submitted per the terms of the Contract and the IDOT specifications as requested ("Claim").

Furthermore, we bring to your attention our belief that there is an identifiable conflict of interest with regards to submission of this claim to the Engineer in accordance with the Contract that we are prepared to discuss with the City.

WWW.GLDD.COM

This submission includes data that shall not be disclosed outside the Government and shall not be duplicated, used or disclosed -- in whole or in part -- for any purpose other than to evaluate this claim submission. This restriction does not limit the Government's right to use information contained in this data if it is obtained from another source without restriction. The data subject to this restriction are contained in each of the attached pages and in the attached exhibits.

## I. BACKGROUND

We notified the City as promptly as pre-bid with one of our queries on November 01, 2013, that by our calculations based on the survey of the Oakley Sediment Basin ("OSB") provided by Chastain at the time of bid, the OSB did not have sufficient capacity for the bulked dredged material after it has been dredged from its in-situ state. The response back from the City in RFI Number 3 was a confirmation that the OSB was sufficient to hold all the quantity of dredged material from Basins 1-4 (refer to document in Exhibit 1). Unfortunately, the OSB, as designed, fell well short of the capacity needed to even contain the neat Contract design quantity without consideration of all the anticipated over dredge, bulking of the material and the reduction in OSB capacity due to the clarifying/polishing pond required within the OSB to maintain water quality for effluent discharging from the OSB, which all should have also be taken into account. Change Order 13 date April 27, 2018, was eventually issued to raise the containment dikes at the OSB so that it would then have sufficient capacity (discussed further below under item 1) and GLDD could then complete the required dredging.

As a result of the insufficient capacity of the OSB prior to the berm modification and Change Order 13 berm modification work, we incurred a number of additional costs that we had included in our Proposal. The insufficient capacity of the OSB resulted in GLDD incurring costs for items 3 – 6 listed above (detailed below), and the berm modification work forced GLDD into another stand-by as we were delayed from commencing dredging works at the start of the 2018 dredging season (item 2 listed above and detailed below).

Based on the survey of the OSB provided by Chastain at the time of bid, the OSB has a maximum capacity of only 8,713,000 cubic yards while maintaining three feet of freeboard as required. This capacity includes the additional capacity GLDD created by removing material from within the OSB to construct the original berms to Chastain's original design but has not been reduced for the necessary "polishing" pond that is required to allow fines to settle out and maintain the required water quality for effluent discharging from the OSB. As of November 19<sup>th</sup>, 2017, when GLDD was required to halt operations early during the 2017 dredging season, as a result of additional efforts to mitigate impacts to the City, GLDD had placed approximately 8,772,000 cubic yards of material into the OSB – nearly 60,000 cubic yards more than the OSB's initial design maximum capacity.

Furthermore, we note that the design for the berm modification work reduced the width at the crown of the berm as the side slopes of the raised section were aligned with the extrapolation of existing side slopes.

Although we believe items 2 – 6 are representative of all of the costs incurred to date as a result of the insufficient design capacity issues at the OSB and the berm modification work, we reserve our right to include any additional cost found or incurred until a final settlement of these matters is agreed.

### 1. CHANGE ORDER 13 – COSTS FOR THE BERM MODIFICATIONS TO HOLD THE CONTRACT DESIGN QUANTITY

Because the original Contract design included insufficient containment capacity at the OSB, it became necessary to raise the berms to an appropriate level to contain the remainder of the Contract material to be dredged from Basins 3, 4 and 6 while also maintaining all other Contract conditions including, but not limited to, freeboard at the berms and water quality. Chastain has provided Great Lakes bid documents that include a bid form and drawings for three different berm modification heights: 717.5', 718.5' and 719.5' which will be referred to as the 4', 5' and 6' berm modifications.

In response to Chastain's and the City's request to solicit bids to raise the OSB berm levels for this proposed Change to the Contract, GLDD solicited bids from six earthwork contractors. The bids requested were based on the bid documents and drawings provided by Chastain & Associates via email on December 13, 2017 and updated on January 2, 2018 via Addendum No. 1. As a result of our solicitation we received three completed quotations and three regrets.

Chastain and the City selected the 4' berm height and a partial change order was issued for the dike work, Change Order 13 dated April 24, 2018, so the sub-contractor could get started with the modifications in an effort to avoid the ongoing cost impacts caused by the suspension of dredging due to the capacity issues. GLDD's additional costs were not addressed by Chastain in Change Order 13 at the time in an effort to get the subcontractor started on the berm extensions thereby reducing the number of days GLDD and the city is impacted.

## II. COST IMPACTS CAUSED BY INSUFFICIENT CAPACITY OF THE OSB

### 2. 2018 STANDBY DURING THE CONSTRUCTION OF THE PERIMETER BERMS OF CELL D

In an effort to reduce standby time during the berm raising Change, we have discussed with your office and the subcontractors to first construct what is referred to as Cell "D" to allow GLDD to begin dredging once the berms enclosing this cell are complete. The remainder of the berms will then be constructed concurrently during dredging operations, thus mitigating management and standby costs as much as possible. Our historical and planned start for the 2018 dredging season was April 1, 2018, as recorded in Weekly Progress Meeting No.152 Meeting Minutes. As in the past seasons the project was shut down and secured from late December until early spring with a planned April 1<sup>st</sup> dredging start. Dredging was delayed until June 4, 2018 when the berm raising for Cell "D" was completed. Thus GLDD incurred additional shutdown and stand-by costs from April 1, 2018 until our actual dredging start for the 2018 dredging season of June 4<sup>th</sup>, 2018. The additional cost for these 64 days of standby that form part of this claim is \$797,994, and the documentation and detail of the standby cost for this standby event is provided in Exhibit 2.

### 3. ADDITIONAL DEWATERING EFFORTS & SURVEY DURING 2016/2017 WINTER SHUTDOWN

Between December 19, 2016 and March 31, 2017, GLDD attempted to remove existing water from the interior of the OSB and consolidated as much material as possible in anticipation of a survey to be performed by Chastain prior to startup on April 1, 2017. This survey was required to assess the remaining capacity remaining in the OSB.

Chastain was notified that we would be resuming dredging operations on April 1, 2017, and that the survey of the OSB would need to be completed prior as our dredging would reintroduce water to the interior of the OSB. April 1 arrived and passed without Chastain performing the survey. Chastain's failure to perform the survey prior to the start of the 2017 dredging season and thereafter pressured us to perform a survey of our own in August 2017 to prove that there was indeed a capacity issue with the OSB.

This required mobilization of a marsh buggy to dewater by move material around and digging trenches for dewatering including short term hire of a marsh buggy while GLDD's was mobilizing to site. The amount of this cost package is \$77,961, and the documentation and detail of the costs associated with this work listed above are provided in Exhibit 3.

### 4. ADDITIONAL DEWATERING & DISPOSAL AREA MANAGEMENT EFFORTS DURING 2017 DREDGING SEASON, & SURVEY DURING 2017/2018 WINTER SHUTDOWN

Throughout the 2017 dredging season and as the OSB neared its initial design capacity during the 2017 dredge season without resolution on the insufficient capacity issue, several discussions took place concerning the capacity issue and mitigating efforts GLDD was taking to minimize the forced shutdown period and associated costs impacts. This included (a) personnel assigned to the OSB (i) operating the

marsh buggy(s), excavator, loader, and dozers, and (ii) dewatering utilizing pumps, (b) efforts not to fill the polishing pond with sediment and cause water quality issues, and (c) a LIDAR survey of the OSB performed in Feb 2018. These efforts were directly related to the OSB insufficient capacity and attempting to mitigate cost impacts to the City, trying to save cost by working to minimize the required height of the new dikes and saving the polishing pond in order to maintain water quality during the remainder of the project. We would not have needed such additional equipment, labor resources and survey if not for the lack of capacity in the OSB and GLDD's efforts to fit as much material into the OSB as possible attempting to avoid an early shutdown. Also, such efforts by GLDD allowed nearly 60,000 cubic yards of additional material to be placed in the OSB beyond the OSB's initial design maximum capacity by Chastain. The Amount of this claim is \$507,442, and the documentation and detail of the costs associated with this work listed above is provided in Exhibit 4.

5. SHUTDOWN/STANDBY FOR MODIFICATION TO POLISHING POND & MITGATING EFFORTS TO EXTEND THE DREDGING SEASON & REDUCE STAND BY COSTS TO THE CITY

By August of 2017, the overall OSB capacity shortfall was confirmed by the GLDD survey (refer item 3 above). Thus GLDD attempted to at least partially mitigate the design error to extend dredging and avoid an early season shutdown by constructing a cross dike in the interior of the Polishing Pond to provide additional disposal capacity for the 2017 season. We requested and received two bids from subcontractors to build the dike.

GLDD had to suspend dredging during this mitigation attempt from October 10, 2017 to October 30, 2017 in order for the selected subcontractor, Beyer Construction, to perform the modifications. The attempted modifications to the polishing were ultimately unsuccessful due to rains and water levels making it impossible to build the cross dike during October 2017 and forward. Thus GLDD experienced three weeks additional shut down due to the OSB insufficient design capacity issue. The amount for this part of the claim is \$592,050, and the documentation and details of the costs associated with this work listed above is provided in Exhibit 5.

6. EARLY SHUTDOWN/SUSPENSION FOR THE 2017 DREDGE SEASON

Despite all GLDD's attempts to mitigate and minimize impact to the City, ultimately due to the insufficient design capacity of the OSB and the continued concerns from the City of Decatur and Chastain in regard to maintaining three feet of freeboard at the exterior berms, it was determined that the OSB had reached capacity on or about November 19, 2017 as communicated to Chastain and the City via our letter R1102/SRM/DSC/SL-031 dated November 17, 2017. Thus GLDD incurred additional shutdown and standby costs from November 19<sup>th</sup> until our planned winter shutdown date of December 23<sup>rd</sup>. The amount for this part of the claim is \$409,860, and the documentation and details of the costs associated with this work listed above is provided in Exhibit 6.

### III. CLAIM SUMMARY

As detailed above and in the attached Exhibits, our claim for the Berm Modifications at the Oakley Sediment Basin due to Insufficient Contract Design Capacity is as follows.

Per Contract using IDOT Specification:

Exhibit 2 – 2018 Standby During Construction of Perimeter Berms of Cell D	\$798,556
Exhibit 3 – Additional Dewatering & Survey During the Winter 2016/2017 Dredging Season	\$78,044
Exhibit 4 – Additional Dewatering & Disposal Area Management Efforts 2017 Dredging Season	\$521,743

Exhibit 5 – Shutdown/Standby for Modifications to Polishing Pond and Mitigating Efforts	\$592,629
Exhibit 6 – Early Shutdown/Suspension for 2017 Dredging Season	\$410,092
Total Cost	\$2,401,064

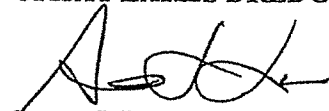
#### IV. CONCLUSION

Our Claim is submitted per the terms of the Contract and the IDOT specifications.

For the reasons set forth above and in the attached Exhibits, GLDD is entitled to compensation under this certified claim in the amount of **\$2,401,064**.

We request your prompt decision on this Claim. As always, if you would like to discuss the amicable resolution to this matter, please let us know.

Sincerely,  
**GREAT LAKES DREDGE & DOCK COMPANY, LLC**



Steven L Lane  
Vice President – Rivers & Lakes Division Manager

Cc: City of Decatur Billy Tyus  
City of Decatur Paul Caswell  
GLDD Christopher Faught  
GLDD Alan Mills

## EXHIBIT 2

### Agreements for Change Order 22:

1. All approved work items, including change order work, for the project will be completed by December 31, 2019 which will be substantial completion of the project. The following carry over work will be completed by August 1, 2020.
  - a. Reseeding as needed to assure proper ground cover establishment for the OSB exterior berms and borrow area #3.
  - b. Minor drainage improvements within the Oakley Sediment Site.
2. The remaining mobilization payment of \$1,070,000.00 be paid upon substantial completion of the project.
3. Project retainage will be reduced to \$100,000.00 and all remaining completed and unpaid work items will be paid upon substantial completion of the project. Final release of project retainage will occur upon completion of the carry over work identified in Item #1.
4. All costs for labor, equipment and materials including GLDD markup necessary to repair and reseed erosion areas on the OSB exterior berms or within borrow area #3, identified by the City for repair in 2020, will be shared 50-50 between GLDD and the City. Scope will be jointly determined spring of 2020 with final approval to be provided by the City. Borrow area #1 is completed and costs will be split 50-50.
5. All exception work identified in Item #1 will be completed by August 1, 2020, whereupon all remaining retainage will be paid closing out the contract.