



October 26, 2015

City of Greensboro, North Carolina  
Department of Water Resources  
300 W. Washington Street  
P.O. Box 3136  
Greensboro, NC 27402-3136

RE: T.Z. Osborne Water Reclamation Facility 56 MGD Upgrade – Package 3  
Guaranteed Maximum Price

Attn: Mrs. Jacqueline Cantrell

Dear Mrs. Cantrell;

As described by its Agreement for Preconstruction Services with the City of Greensboro, North Carolina, Garney Construction ("Garney"), has requested Subcontractor bids for all work associated with the above described project. Accordingly, Garney offers the following Guaranteed Maximum Price ("GMP") for all work described by the bid documents, and otherwise described by Exhibit G "GMP Summary", attached.

**Guaranteed Maximum Price**

**\$17,822,035.00**

Of this amount, it is anticipated that 7.9% of minority business enterprise (MBE) and 3.5% women-owned business enterprise (WBE) participation will be achieved, as described by the City of Greensboro Minority and Women Business Enterprise Program. Please see Table MWBE-1, attached for a detailed summary of this participation.

Pursuant to G.S. 143-128.1(c), as the bid process for a number of subcontract work packages has produced no responsible, responsive bidders, Garney has included all necessary costs to perform this work. These work packages, as defined by the bidding documents include, General Labor, Construction Dumpsters, Port-a-let Supply, Fencing, Fine Grading & Grassing, Erosion Control, and Hauling. Garney will endeavor to identify local M/WBE firms qualified to perform these services in lieu of direct self-performance by Garney, and if possible, will provide updates as the informal subcontracting process develops.

Included with these costs are performance and payment bonds, insurance, general conditions, construction administration costs, and construction management fee. Builders Risk Insurance is strictly excluded, and agreed to be the responsibility of the City of Greensboro to provide.

All work shall be completed and ready for Owner's use within 730 calendar days, and final completion within 790 calendar days of a mutually agreeable date of Notice to Proceed. All terms and conditions shall be per the Standard Form of Agreement between Owner and Construction Manager, including revisions as negotiated by the parties, made on November 30, 2014

This Guaranteed Maximum Price, is in addition to the initial contract amount for Preconstruction Services, and does not include any Owner Direct Purchased materials.

A summary of services and work to be performed titled Exhibit F "Scope of Construction Services" is attached. Included in this Exhibit are all changes due to value engineering.

A detailed tabulation and summary of above described costs titled Exhibit G, "GMP Summary" is attached.

While not included in the above costs, it is important to note that through its role during the Preconstruction Services phase, Garney has assisted the City of Greensboro in the implementation of an Owner Direct Purchase of the Effluent Filter Process Equipment, valued at nearly \$6,147,000, their submittal process, and delivery to the Project. Further,

Garney has facilitated the early delivery and installation of Effluent Filter No. 6, successfully placing it into operation on September 2, 2015.

This proposal is based upon the following adjustments to the Standard Form of Agreement between Owner and Construction Manager, including revisions as negotiated by the parties, made on November 30, 2014:

Article 3.5, incorporated as written, and adjusted herein

Article 3.5.3.3, Change Order Control, add to the end:

“The CM shall be entitled to a fee equal to the cost of the work plus a fixed percentage of 25% for the overhead, administration, and profit of the CM for all work added under the CMAR Contingency. For all additional work funded through the Owner’s Contingency, the CM shall be entitled to a fee equal to the cost of the work plus a fixed percentage of 15% for the overhead, administration, and profit of the CM”

Article 4.1.2.4 delete and replace with

“The CM’s Basic Services during the Construction Phase shall be performed for a period of 730 calendar days to Substantial Completion, and final completion within 790 calendar days of a mutually agreeable date of Notice to Proceed”

Article 4.1.2.5 delete in its entirety. These services are to be provided by the Designer.

Article 5.1.2 Additional Compensation and Extended Duration, delete and replace with

“The CM shall be entitled to receive additional compensation and additional time when the scope of Basic Services is increased or extended through no fault of the CM. If the scope of Basic Services is increased or the duration of the CM’s Basic Services is extended or the duration of the Basic Services to be performed within a phase duration specified in Article 4 is extended, the CM shall be entitled to receive additional compensation, and the duration of the Agreement shall be extended. A written request for additional compensation shall be given by the CM to the Owner within thirty (30) days of the occurrence of the event giving rise to such request. The amount of additional compensation to be paid and the amount of extension of the duration of this Agreement shall be determined on the basis of the CM’s cost, plus 15 percent as a customary and reasonable adjustment to the CM’s fee consistent with the provisions of Article 7, and a determination of the length of the extensions of the duration of this Agreement.”

Article 5.1.5, add the following new section

“Owner’s Contingency: Included within the GMP amount shall be a mutually agreed amount for exclusive use of the Owner, identified as “Owner’s Contingency”. The value of this contingency shall be set at four hundred fifty thousand dollars and no cents (\$450,000.00). This amount may be utilized by the Owner, for its exclusive use associated with all changes under Article 5 of this agreement.”

Article 7.2, Cost Plus Fixed Fee, delete and replace with

“The Owner shall compensate the CM on the basis of the CM’s cost plus fixed fee for phase 2 services only and in accordance with the terms and conditions of this Agreement as follows:  
Compensation for Basic Services: The CM shall be compensated for performing the Basic Services as described in Article 3, Exhibit F, “Scope of Construction Services”, and Exhibit G “GMP Summary”

Article 7.2.4.1, delete and replace with

“Payment of the Fixed Fee as indicated in Paragraph 7.2 shall due and payable in twelve (12) equal installments, on a monthly basis, with the first payable with the initial partial application for payment, and the last eleven (11) months thereafter.”

Article 7.2.4.7, add the following new section

“Payment of the “Extended Preconstruction Services” portion of Construction Administration costs as indicated by exhibit G “GMP Summary” including proportional Administrative fees shall due and payable with the initial partial application for payment.”

Article 7.2.4.8, add the following new section

“Payment of the “Construction Services” portion of Construction Administration costs as indicated by exhibit G “GMP Summary” including proportional Administrative fees shall due and payable in twenty four (24) equal installments, on a monthly basis, with the first payable with the initial partial application for payment , and the last twenty three (23) months thereafter.”

Article 12.1, incorporated as written, and adjusted herein

Article 12.1.3.2, following the first sentence, and before the second, on line 9, insert the following sentence

“The CM shall be entitled to a fee equal to the cost of the work plus a fixed percentage of 25% for the overhead, administration, and profit of the CM for all such increases to various construction budgets.”

Article 12.1.7 add the following new section

**“Liquidated Damages:**

CMAR recognizes that time is of the essence of this Agreement and that OWNER will suffer financial loss if the Work is not completed within the time frames set forth by this agreement. It also recognizes the delays, expense and difficulties involved in providing in a legal proceeding the actual loss suffered by OWNER if the Work is not completed on time. Accordingly, instead of requiring any such proof, OWNER and CMAR agree that as liquidated damages for delay (but not as a penalty) CMAR shall pay OWNER \$2,500 for each day that expires after the date of substantial completion, and until such time as work is sufficiently complete to serve its intended purpose. Similarly, CMAR shall pay OWNER \$1,000 for each day that expires after the date of final completion, and until such time as work is complete.”

Article 12.1.8, add the following new section

“The Guaranteed Maximum Price, is \$18,266,541.00 Dollars (\$). This Guaranteed Maximum Price is for the Work described in Exhibit F and as summarized by Exhibit G.”

We trust the above to be acceptable, and look forward to receipt of an executed Change Order. Should you have any question, comment, or wish to discuss any of the above in greater detail, please feel free to contact us immediately. I may be reached by email at [lcobb@garney.com](mailto:lcobb@garney.com), or via telephone at (407)877-5903, ext. 572

Sincerely,



Lucas R. Cobb, P.E.  
Senior Project Manager

Cc: Elijah Williams – COG  
Michael Borchers – COG  
Timothy Behler – Garney  
Eric Wagner - Garney



T.Z. Osborne 56 MGD Expansion Package 3  
TABLE MWBE-1

10/21/2015

Summary of Minority and Women Owned Business Enterprise Participation

Subcontract No.	Firm	First Tier	Second Tier	Scope	Subcontract Amount	MBE Participation	WBE Participation
-	SRS	X		Construction CM Services	\$499,903	\$499,903	
-	A&B Portables	X		Port-A-Let Supply	\$9,360		
-	Carolina Disposal	X		Construction Dumpsters	\$62,400		\$62,400
-	Patriot Services	X		General Labor	\$120,000	\$120,000	
-	Canady's	X		Silt Fence & Erosion Control	\$150,000		\$150,000
	RFI Construction, LLC	X		Erosion Control	\$50,000	\$50,000	
-	Stewart Hauling and Backhoe	X		Onsite Hauling	\$150,000		\$150,000
-	ASJ Wilson	X		Fencing	\$9,879	\$9,879	
-	RFI Construction, LLC	X		Fine Grade & Grass	\$30,000	\$30,000	
-	Southern Paint and Waterproofing	X		Paint & Finishes	\$99,822		\$99,822
-	Southern Paint and Waterproofing	X		Dampproofing	\$18,096		\$18,096
-	Waller & Associates, PC	X		Project Surveyor	\$37,000	\$37,000	
-	All Systems Restored HVAC and Electrical	X		SBS / NaOCl Equipment Installation Protégé	\$210,500	\$210,500	
-	United Maintenance	X		PaCl Equipment Installation Protégé	\$319,500	\$319,500	
-	Crowder	X		Effluent Filter, CCT, & Electrical	\$9,378,000	*see below	*see below
-	TBD - Crowder Trucking		X	TBD	\$0		\$138,068
-	Bowden Electric - Under Crowder		X	Electrical Protégé - Chemical Systems	\$0	\$136,000	
Total Subcontract Amount					\$11,144,460	\$1,412,782	\$618,386
Percentage of Total Subcontract						12.68%	5.55%
Subcontracted Total						\$2,031,168	18.23%
Total GMP Change Order					\$17,822,035		
Percentage of Total GMP Change Order						7.93%	3.47%
Grand Total						\$2,031,168	11.46%



T.Z. Osborne 56 MGD Expansion Package 3  
EXHIBIT F

**Scope of Construction Services**

Provide all required labor, materials, and equipment to construct and place into operation the work as described by Plans and Specifications prepared by CDM Smith dated July 2015, and titled CITY OF GREENSBORO, NORTH CAROLINA, WATER RESOURCES DEPARTMENT, 56 MGD UPGRADE PROJECT T.Z. OSBORNE – PACKAGE 3, including Addenda 1 through 5 issued during the bidding process, as modified hereafter.

CMAR direct purchase of gates and stop logs as described by Purchase Order 0472R001 described by Specification Section 00890, Appendix 2

CMAR direct purchase of the Peristaltic Metering Pump Systems described by Purchase Order 0472R004 attached and Specification Section 11215. It is understood that this purchase order excludes certain instrumentation and controls features required by the plans and specifications. These are explicitly excluded from this GMP.

CMAR direct purchase of the SCADA System Improvements described by Purchase Order 0472R003 attached and Specification Division 13

Mentor Protégé Subcontract 0472S016 with All Systems Restored, attached for all required labor, materials, and equipment to construct and place into operation the NaOCL and SBS Chemical Systems

Mentor Protégé Subcontract 0472S017 with United Maintenance Group, LLP, attached for all required labor, materials, and equipment to construct and place into operation the PaCL Chemical Systems

Mentor Protégé Subcontract 0472S001 with SRS, Inc., attached for Construction Management Services

All changes as a result of Value Engineering performed between City of Greensboro, CDM Smith, Crowder Construction Company, and Garney Companies, as summarized by Attachment Accepted Value Engineering issued with Change Order No. 1 to Subcontract 0472S027 to Crowder Construction, attached. Any additional engineering as a result of these savings is excluded.

It is understood that Value Engineering Item 1C requires the construction of a new Filter Effluent Box, Chlorine Contact Splitter Box, and Filter Effluent (FLE) pipeline. This additional work, inclusive of any design, permitting, geotechnical exploration, or impacts to other work packages is strictly excluded. It is anticipated, that upon its design this work would be completed by Garney through change order and / or work change directive under Package 2 construction contract. This work must be complete and be ready to be placed into operation within one (1) year of the date of notice to proceed of this Contract.

All subcontracts as described by Specification Section 00250.

It is expressly understood that all work associated with the following trade scopes is excluded

- Asphalt Paving
- Plumbing
- Grit Equipment Demolition

- Scum Systems
- Scum Preconcentrator Concrete

Existing asphalt roadways are to be left in a traversable condition. All road crossings for utility installation shall be restored with road base to top of asphalt. Patching of asphalt is excluded.

It is understood that operation of all new facilities during start-up and initial demonstration period is by the City of Greensboro

It is understood laboratory or third party testing of any kind is by the City of Greensboro

It is understood that CMAR shall have access to, and right of use to electricity, potable water, and other utilities in such quantity as may be needed or desirable during construction, so long as they are available at the jobsite, free of charge.

It is understood that additional temporary construction field offices for Owner and / or Engineer are excluded than those presently provided.

Purchase of Scum Pumps of any kind, including those for installation under Contract 2 are excluded. It is understood that the Scum Pumps to be provided for Package 2 may be purchased with funds from Package 3 Owner's contingency indicated in Exhibit G.



10/26/2015

**TZO PACKAGE 3  
EXHIBIT G  
GMP SUMMARY**

Line

1	Major Work Packages			
2		Effluent Filters	\$ 10,902,000	Crowder
2a		VE Option	\$ (1,524,000)	VE Savings
5	Chlorine Contact Tank, Outfall & Site Excavation		\$ -	INCL
6		Electrical		INCL
7	Minor Work Packages			
8		Port-A-Let Supply	\$ 9,360	
9		Construction Dumpsters	\$ 62,400	
10		General Labor	\$ 120,000	
11		Silt Fence & Erosion Control	\$ 150,000	
11		Silt Fence & Erosion Control	\$ 50,000	
12		Onsite Hauling	\$ 150,000	
14		Fencing	\$ 9,879	
15		Fine Grade & Grass	\$ 30,000	
16		Paint & Finishes	\$ 99,822	
17		Dampproofing	\$ 18,096	
20	Professional Services			
21		Project Surveyor	\$ 37,000	
22				
23	Mentor Protégé Relationships			
24		Construction Management	\$ 499,903	Quote, SRS
25	SBS / NaOCl Equipment Installation		\$ 235,000	All Systems Restored
26	PaCl Equipment Installation		\$ 295,000	United Maintenance
27	CMAR Direct Purchase			
29		Gates & Stop Logs	\$ 324,721	
		Secondary Scum Pumps 1 and 2		
30		Gates & Stop Logs C/O #1	\$ (25,348)	
31		Chemical Skids	\$ 230,400	Watson Marlow
		Instrumentation & Controls	\$ 586,658	Sales Tax Included, 8/27/2015
32				Quote, Deduct for Scum Systems to be realized
33		Sales Tax on Direct Purchases	\$ 75,359	
34	Total Construction Cost		\$ 12,336,251	
35				
36	Construction Administration			
37	Extended Preconstruction Services			Relocation of/and added staff
38		Cost of Employees	\$ 126,476	
39		Direct Expense (Mat/Equip/Sub)	\$ 19,927	
40	Construction Services			
41		Cost of Employees	\$ 2,418,462	
42		Direct Expense (Mat/Equip/Sub)	\$ 142,035	
46	Total Construction Administration		\$ 2,706,900	
47				
48	Administrative Fee(s)			
49	Administrative Fee on Employees Assigned to the Project	\$ 127,247		(7.2.1.3) 5% of Labor (line 38,41 &44)
50	Administrative Fee on Direct Expenses	\$ 16,196		(7.2.2.2) 10% of direct expenses (line 39,42 &45)
51	Total Administrative Fees		\$ 143,443	
52				
53	Bonds & Insurance			
54		Builders Risk Insurance	\$ -	N/A - By Owner
55		Payment & Performance Bond	\$ 77,814	Quote - Thomas McGee
56	Total Bonds & Insurance		\$ 77,814	
57				
58	CMAR Lump Sum Fee			
59		Fee	\$ 1,500,000	Increased to Original Offering
60			\$ 1,500,000	
61	Contingencies			
62	CMAR Construction Contingency	\$ 607,627		25% Shared Savings, 25% fee on changes
63	Owner's Contingency	\$ 450,000		15% fee on changes
64	Construction Contingency		\$ 1,057,627	
65	Subtotal		\$ 17,822,035	
66				
67	Other Costs			
68		Preconstruction Services	\$ 444,506	Initial Contract Amount
69			\$ -	
70			\$ 444,506	
71				
72	TOTAL GMP		\$ 18,266,541	
			\$ 0	