



**Special City Council Meeting**  
5:00 p.m., Wednesday, July 1, 2026  
Council Chambers  
1207 Palm Boulevard, Isle of Palms, SC

**Agenda**

1. **Call to Order** and acknowledgment that the press and the public were duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Purpose** – discussion and consideration of change order from the Bastion Group in the amount of \$151,337 to deconflict water and sewer lines along Waterway Boulevard
3. **Adjournment**

**CONSTRUCTION CONTRACT  
 CHANGE ORDER**

Project: **Waterway Blvd. Pathway**

Construction Contract: **Contract I**  
 Change Order Number: **2**

Owner: **City of Isle of Palms**

Date Issued: **TBD**

Contractor: **The Bastion Group, LLC**

Engineer's Project Number: **27670.0010**

**The Contract is changed as follows:**

- Add 3 water line offsets to the construction cost (previously shown on the plans) and adjust various unit cost as show on the attached spreadsheet.

**Not valid until signed by the Owner, Engineer, and Contractor.**

**Adjustments in the Contract Sum:**

The original Contract Amount was.....\$ 2,890,156.00  
 Net change by previously authorized Change Orders.....\$ -49,237.00  
 The Contract Amount prior to this Change Order was.....\$ 2,840,919.00  
 The new Contract Amount will be **(increased)** (~~decreased~~) (~~unchanged~~)  
 by this Change Order in the amount of .....\$ 151,337.50  
 The new Contract Amount including this Change Order will be .....\$ 2,992,256.50

**Adjustments in the Contract Time:**

Original Substantial Completion Date ..... 07/21/2026  
 Sum of Previously Approved Increases and Decreases ..... ( 56 ) days  
 Date of Substantial Completion prior to this Change Order..... 09/15/2026  
 The Contract Time will be (~~increased~~) (~~decreased~~) **(unchanged)** by ( 0 ) days  
 The date of Substantial Completion as a result of this Change Order therefore is 09/15/2026

**ENGINEER RECOMMENDATION**

Richard Karkowski, PE, PH, D.WRE  
 ENGINEER

  
 SIGNATURE

06/26/2026  
 DATE

**CONTRACTOR ACCEPTANCE**

\_\_\_\_\_  
 CONTRACTOR

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 DATE

**OWNER APPROVAL**

Douglas Kerr  
 OWNER

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 DATE

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, contain Contractor's signed certification is attached.  
In tabulations below, amounts are stated to the nearest dollar.  
Use Column 1 on Contracts where variable retainage for line items may apply

APPLICATION NO. 1  
APPLICATION DATE: 3/24/2026  
BG PROJECT NO: 26.007  
IOP Waterway BLD

		Change Order Reduction														
A Budget Line Item	B DESCRIPTION OF WORK	C NO. Units BID	D Measure	E Unit Price	F March			G Unit Remainder	H SCHEDULED VALUE	I WORK COMPLETE		K MATERIALS PRESENTLY STORED (NOT IN I OR J)	L TOTAL COMPLETED AND STORED TO DATE (+J+K)	M %	N BALANCE TO FINISH	O RETAINAGE (IF VARIABLE RATE)
					1	2	3			FROM PREVIOUS APPLICATIONS	THIS PERIOD					
<b>General</b>																
1	Mobilization	1	LS	10000.00	10000	0	0	0	\$ 100,000.00	\$ -	\$ -	\$ 100,000.00	100%	\$ -	\$ 10,000.00	
2	Construction Staking	1	LS	20000.00	12000	8000	0	0	\$ 20,000.00	\$ -	\$ -	\$ 20,000.00	100%	\$ -	\$ 2,000.00	
3	Traffic Control	1	LS	18000.00	6000	6000	0	6000	\$ 18,000.00	\$ -	\$ -	\$ 12,000.00	67%	\$ 6,000.00	\$ 1,200.00	
4	Erosion Control	1	LS	78500.00	16000	16000	16000	30500	\$ 78,500.00	\$ -	\$ 16,000.00	\$ 48,000.00	61%	\$ 30,500.00	\$ 4,800.00	
5	As-Built Construction Plans	1	LS	12000.00	0	0	0	12000	\$ 12,000.00	\$ -	\$ -	\$ -	0%	\$ 12,000.00	\$ -	
<b>Earthwork</b>																
6	Selected Clearing and Grubbing	2,400	AC	7650.00	0.15	0.50	0.50	1.25	\$ 18,360.00	\$ 4,972.50	\$ 3,825.00	\$ 8,797.50	48%	\$ 9,562.50	\$ 879.75	
7	Milling Existing Asphalt Pavement	1770	SY	11.55	0	0	0	1770	\$ 20,443.50	\$ -	\$ -	\$ -	0%	\$ 20,443.50	\$ -	
8	Removal & Disposal of Existing Pavement	3685	SY	11.65	0	2312	1500	2673	\$ 77,880.25	\$ 26,934.80	\$ 17,475.00	\$ 44,409.80	57%	\$ 33,470.45	\$ 4,440.98	
9	Removal & Disposal of Existing Concrete	900	SY	20.15	0	0	0	900	\$ 18,135.00	\$ -	\$ -	\$ -	0%	\$ 18,135.00	\$ -	
10	Controlled Fill - Borrow Material	750	CY	49.95	0	0	250	500	\$ 24,975.00	\$ -	\$ 12,487.50	\$ 12,487.50	33%	\$ 24,975.00	\$ 1,248.75	
11	Grading	11400	SY	5.95	730	3265	3000	4405	\$ 67,830.00	\$ 23,770.25	\$ 17,850.00	\$ 41,620.25	61%	\$ 26,209.75	\$ 4,162.03	
<b>Roadway and Pathway</b>																
12	Graded Aggregate Base Course (8" Road and Driveways)	2191	SY	45.00	0	0	120	2071	\$ 98,595.00	\$ -	\$ 5,400.00	\$ 5,400.00	5%	\$ 93,195.00	\$ 540.00	
13	Graded Aggregate Base Course(4" for Pathway)	7715	SY	22.65	0	2700	1500	3515	\$ 174,744.75	\$ 61,155.00	\$ 33,975.00	\$ 95,130.00	54%	\$ 79,614.75	\$ 9,513.00	
14	Hot Mix Asphalt Intermediate Course Type E	244	TON	223.00	0	0	0	244	\$ 54,412.00	\$ -	\$ -	\$ -	0%	\$ 54,412.00	\$ -	
15	Hot Mix Asphalt Surface Course Type B	1145	TON	223.00	0	0	500	645	\$ 255,335.00	\$ -	\$ 111,500.00	\$ 111,500.00	44%	\$ 143,835.00	\$ 11,500.00	
16	Concrete Curb and Gutter (1'-6") Vertical Face	367	LF	72.00	0	92	0	275	\$ 26,424.00	\$ 6,624.00	\$ -	\$ 6,624.00	25%	\$ 19,800.00	\$ 662.40	
17	Detachable Warning Surface	365	SF	54.00	0	0	0	365	\$ 20,790.00	\$ -	\$ -	\$ -	0%	\$ 20,790.00	\$ -	
18	Concrete Driveway (6")	550	SY	113.00	0	0	0	550	\$ 62,150.00	\$ -	\$ -	\$ -	0%	\$ 62,150.00	\$ -	
19	Gravel Drive	220	SY	40.80	0	0	0	220	\$ 8,976.00	\$ -	\$ -	\$ -	0%	\$ 8,976.00	\$ -	
<b>Striping</b>																
20	4" White Solid Lines (Pvt. Edge Lines) Thermo 90 MIL	970	LF	3.00	0	0	0	970	\$ 2,910.00	\$ -	\$ -	\$ -	0%	\$ 2,910.00	\$ -	
21	24" White Solid Lines (Stop/Diagonal Lines) Thermo 125 MIL	100	LF	17.70	0	0	0	100	\$ 1,770.00	\$ -	\$ -	\$ -	0%	\$ 1,770.00	\$ -	
22	8" White Solid Lines (Crosswalk) Epoxy Paint Slow Cure	940	LF	5.00	0	0	0	940	\$ 4,700.00	\$ -	\$ -	\$ -	0%	\$ 4,700.00	\$ -	
23	4" Yellow Solid Lines (Pvt. Edge No Passing Zone) Thermo 90 MIL	1410	LF	3.00	0	0	0	1410	\$ 4,230.00	\$ -	\$ -	\$ -	0%	\$ 4,230.00	\$ -	
24	Reset Sign	45	EA	142.00	0	0	0	45	\$ 6,390.00	\$ -	\$ -	\$ -	0%	\$ 6,390.00	\$ -	
<b>Drainage</b>																
25	15" RC Pipe	151	LF	142.00	139	0	0	12	\$ 21,442.00	\$ 19,738.00	\$ -	\$ 19,738.00	92%	\$ 1,704.00	\$ 1,973.80	
26	18" RC Pipe	1658	LF	168.00	58	98	333	1069	\$ 246,164.00	\$ 24,648.00	\$ 52,614.00	\$ 89,257.00	36%	\$ 156,907.00	\$ 8,925.70	
27	Junction Box	2	EA	5750.00	2	0	0	0	\$ 11,500.00	\$ -	\$ -	\$ -	0%	\$ 11,500.00	\$ -	
28	Manhole	7	EA	5750.00	1	1	0	6	\$ 11,500.00	\$ 11,500.00	\$ -	\$ 11,500.00	100%	\$ -	\$ 1,150.00	
29	Catch Basin - Type 9	4	EA	5750.00	4	0	0	0	\$ 23,000.00	\$ -	\$ -	\$ -	0%	\$ 23,000.00	\$ -	
30	Drop Inlet (24" x 36")	22	EA	5750.00	5	5	3	9	\$ 126,500.00	\$ 57,500.00	\$ 17,250.00	\$ 42,585.00	93%	\$ 9,165.00	\$ 11,733.50	
31	Check Valve (15" In-Line) - Installation Only	1	EA	700.00	1	0	0	0	\$ 700.00	\$ -	\$ -	\$ -	0%	\$ 700.00	\$ -	
32	Check Valve (18" In-Line) - Installation Only	4	EA	700.00	4	0	0	0	\$ 2,800.00	\$ -	\$ -	\$ -	0%	\$ 2,800.00	\$ -	
33	Check Valve (24" In-Line) - Installation Only	1	EA	700.00	1	0	0	0	\$ 700.00	\$ -	\$ -	\$ -	0%	\$ 700.00	\$ -	
<b>Water and Sewer Relocations</b>																
34	Waterway Blvd. near 22nd Ave. - 12" WM horiz. offset	1	LS	179500.00	150000	29500	0	0	\$ 29,500.00	\$ 29,500.00	\$ -	\$ -	100%	\$ -	\$ 2,950.00	
35	23rd Ave. near Waterway Blvd - 8" WM vert. offset	1	LS	117250.00	0	117250	0	0	\$ 117,250.00	\$ 117,250.00	\$ -	\$ -	100%	\$ -	\$ 11,725.00	
36	23rd Ave. near Waterway Blvd - 8" FM vert. offset with ARV	1	LS	117250.00	8650	111600	0	0	\$ 111,600.00	\$ 111,600.00	\$ -	\$ -	100%	\$ -	\$ 11,160.00	
37	3107 Waterway Blvd. - 8" FM horiz. offset	1	LS	95200.00	0	0	85200	0	\$ 95,200.00	\$ -	\$ 95,200.00	\$ 95,200.00	100%	\$ -	\$ 9,520.00	
38	Waterway Blvd. near 32nd Ave. - 8" FM vert. offset with ARV	1	LS	117250.00	112100	5150	0	0	\$ 112,100.00	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	
39	3605 Waterway Blvd. - 8" FM vert. offset with ARV	1	LS	137250.00	132100	5150	0	0	\$ 132,100.00	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	
40	4001 Waterway Blvd. - 8" FM vert. offset with ARV	1	LS	137250.00	132400	5150	0	0	\$ 132,400.00	\$ -	\$ -	\$ -	0%	\$ 136,687.50	\$ -	
41	Water Service Relocations/Replacements	6	EA	4950.00	6	0	0	0	\$ 29,700.00	\$ -	\$ -	\$ -	0%	\$ 29,700.00	\$ -	
42	Adjust Sewer Manhole Ring & Cover with Concrete Collar	17	EA	1250.00	17	0	3	0	\$ 21,250.00	\$ -	\$ 3,750.00	\$ 3,750.00	18%	\$ 17,500.00	\$ 375.00	
43	8" Sewer in 16" Steel Casing	58	LF	1785.00	58	0	0	0	\$ 103,530.00	\$ -	\$ -	\$ -	0%	\$ 103,530.00	\$ -	
<b>Miscellaneous</b>																
44	Sodding	7	MSY	12800.00	0	0	0	12800	\$ 92,800.00	\$ -	\$ -	\$ -	0%	\$ 92,800.00	\$ -	
45	CMU Wall - Fire Station	313	LF	238.00	0	0	0	238	\$ 74,494.00	\$ -	\$ -	\$ -	0%	\$ 74,494.00	\$ -	
<b>Owner Controlled Allowance</b>																
46	Miscellaneous	1	LS	75000.00	0	0	0	0	\$ 75,000.00	\$ -	\$ -	\$ -	#DIV/0!	\$ -	\$ -	
<b>Change Order #1 Additional Line Items</b>																
	Survey Revisions	1	LS	6000.00	0	6000	0	6000	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00	100%	\$ -	\$ 600.00	
	Testing	1	LS	18496.00	0	0	18496	0	\$ 18,496.00	\$ -	\$ -	\$ -	0%	\$ 18,496.00	\$ -	
	12" Watermain in Swale	1	LF	6000.00	0	6000	0	0	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00	100%	\$ -	\$ 600.00	
	Sewer Lateral in 12" Steel Casing	10	LF	500.00	0	5000	0	5000	\$ 5,000.00	\$ -	\$ -	\$ -	0%	\$ 5,000.00	\$ -	
	Permit Delays Management and Overhead	7	WKS	6000.00	0	0	0	0	\$ 35,000.00	\$ 35,000.00	\$ -	\$ 35,000.00	100%	\$ -	\$ 3,500.00	
	Structure Adjustments	1	LS	1000.00	0	1000	0	0	\$ 1,000.00	\$ 1,000.00	\$ -	\$ 1,000.00	100%	\$ -	\$ 100.00	
	Field Coordination Delays (incorrect utility locates, etc.)	12	LS	500.00	0	6000	0	0	\$ 6,000.00	\$ 6,000.00	\$ -	\$ 6,000.00	100%	\$ -	\$ 600.00	
	Revision Printing Costs	1	LS	500.00	0	500	0	0	\$ 500.00	\$ 500.00	\$ -	\$ 500.00	100%	\$ -	\$ 50.00	
<b>Change Order #2 Additional Line Items</b>																
	3102 Waterway Blvd 12" WM Vertical and Horizontal Offset	1	LS	179500.00	0	0	179500	0	\$ 179,500.00	\$ -	\$ -	\$ -	0%	\$ 179,500.00	\$ -	
	32nd Ave. near Waterway Blvd - 8" WM vert. offset	1	LS	117250.00	0	0	117250	0	\$ 117,250.00	\$ -	\$ -	\$ -	0%	\$ 117,250.00	\$ -	
	3200 Waterway Blvd 12" WM Vertical Offset	1	LS	179500.00	0	0	179500	0	\$ 179,500.00	\$ -	\$ -	\$ -	0%	\$ 179,500.00	\$ -	
	Asphalt Price increase (14 and 15)	1	LS	9029.00	0	0	9029	0	\$ -	\$ -	\$ -	\$ -	0%	\$ -	\$ -	
<b>GRAND TOTALS</b>									\$ 2,992,256.50	\$ 713,692.55	\$ 387,326.50	\$ 54,580.00	39%	\$ 1,836,657.45	\$ 115,559.91	

## Douglas Kerr

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**From:** Karkowski, Rick <karkowski.r@tandh.com>  
**Sent:** Friday, June 26, 2026 10:47 AM  
**To:** Douglas Kerr  
**Cc:** Valenzuela, Maria; Robert Asero; Sean Kuester  
**Subject:** Waterway Blvd. Change Order 2 discussion and justification

Douglas,

As you are aware, a potentially significant issue has developed concerning the project. However, we believe that we have identified a path forward that will minimize the impact of the issue and allow the project to be completed successfully.

The issue had originated with a discrepancy between the project's plans and bid tabulation. Three (3) waterline offsets were included on the plans but inadvertently not included in the project's bid tabulation. A waterline offset is a construction activity necessary to adjust the horizontal and/or vertical alignment of an existing waterline to accommodate the installation of proposed infrastructure (in this case, drainage pipes and inlets proposed to improve drainage and limit flooding along Waterway Blvd.). Because they were not listed in the bid tabulation, prospective bidders (including the successful bidder/contractor) did not include the cost for these 3 offsets in their bids for this work.

This issue was identified early in the project, and efforts have been ongoing to develop a plan to address the situation. In April, the 3 water line offset issue was identified prior to a minor change order (Change Order 1) being coordinated with the contractor. At that time, a change order was being prepared to address minor design changes to avoid construction near a large oak tree and also incorporate minor design changes related to other water and sewer work. CO1 resulted in a credit of \$49,237 to the project. Due to the need to ensure work continued on the project, CO1 was completed without addressing the 3 water line offsets.

At the time of the execution of CO1, T&H had requested the contractor provide pricing for the 3 water line offsets so T&H, in coordination with City staff, could assess the impact of this cost and potentially adjust the project to limit the financial impact of the additional work, and a second change order could be issued before this work would be completed. However, the contractor proceeded with the 3 water line offsets and afterwards provided a change order (CO 2) request of approximately \$427,000. T&H, in coordination with City staff, immediately contacted the contractor to discuss this request and communicated that an alternative would need to be identified to lower (and preferably eliminate) this significant increase in project cost. T&H and City staff met numerous times with the contractor and discussed various alternatives to the situation. The alternatives included: lower pricing from the contractor for work completed, redesign of the project to minimize costs (including utilizing conflict boxes for utility conflicts), elimination of certain work from the contracts, utilizing alternative sub-contractors, the contractor self-performing some of the work planned to be sub-contracted, and other alternatives. A complicating factor is that work on IOPW&S infrastructure must be completed by an IOPW&S pre-qualified subconsultant. This limits the potential pool of sub-consultants and potentially affects pricing.

Recently, the contractor presented an amended change order (CO 2) request that significantly reduced the potential financial impact to the project. The revised change order request would result in a contract increase of approximately \$102,100. This change order request includes a reduction in pricing for some work previously completed, elimination of an asphalt escalation fee, and using an alternative (IOPW&S-approved) subconsultant to complete the remaining water and sewer infrastructure work (at a lower cost than included in the bid). T&H believes this is a fair solution to the project and recommends the City approve the change order (CO2). This work

is critical to the success of the project and necessary to attain the project's goals of providing tidal protection and drainage improvements to the project area.

There are potential financial mitigation measures that can be taken to limit (and potentially eliminate) the increase in project cost caused by this change order (CO2). These include:

1. Limiting the placement of sod during the restoration phase of the project. The project currently includes 7,250 SY of sod (\$92,800 ) to be used in restoring areas disturbed by construction. This amount could be reduced to only include critical areas (residential yards, right-of-way immediately adjacent residential yards, etc.). Alternative restoration measures (seeding/mulching, hydro-seeding, mulching, etc.) could be used in non-critical areas (critical/non-critical areas coordinated closely with City staff). The exact project savings are unknown at this time, but are estimated to range from \$60,000 up to the full sodding amount (\$92,800).
2. Limit the replacement of certain driveways along the new pathway. The project had not included the replacement of decorative/paver driveways along the pathway alignment due to the challenge of restoring them to their original condition. The project generally included replacing all other asphalt and concrete driveways along the pathway. A study of the condition of the existing driveways has been conducted to assess the potential of retaining certain driveways that are in good condition. The pathway's proposed grading would be adjusted to be flush with the existing driveways if they were retained. The function of the pathway, as a multi-use trail or flood barrier, would not be compromised by this change. The exact savings to the contract are unknown at this time, but an early estimate (if fully implemented) could result in savings of nearly \$57,000.
3. Delay (and potentially modify) the work east of 41<sup>st</sup> Avenue. This work could be removed from the current contract and completed during phase 3 of the Waterway Blvd. flood mitigation project. The work east of 41<sup>st</sup> Avenue included a knee-high wall along the back property line behind the City's fire station (on City property) and minor modifications to the Dewees Island Ferry Parking driveway (landscape berms and minor grading to raise the driveway approximately 18 inches) on property owned by the Dewees Island POA. T&H and City staff had been attempting to gain permission from the Dewees POA for the work on their property. This coordination included assisting the POA in investigating the raising of their entire parking lot to the target protection elevation (elev. 7.0 ft. NAVD88), which would have provided the necessary protection for this portion of the project, as well as protect parked cars in the Dewees Island Ferry Parking lot. The cost for this parking lot work (on private property) would have been borne by the POA, but could have been partially offset by the amount planned for the work in this area (approximately \$39,000). However, the cost of raising the entire parking lot was not feasible for the POA. The POA subsequently informed the City that they did not want to allow the originally planned work on their property. However, conversations continue with the POA as to the potential for completing this work, but the timing may not fall within the current contract.

I recommend the City to approve CO2 as currently proposed (project cost increase of \$102,100) and instruct City staff, T&H, and the contractor to work collaboratively to implement the 3 cost-saving measures listed above. I believe the current contract could be completed for the original awarded contract budget (\$2,890,156). This approach would provide the most flexibility in completing the project and ensure the project is completed within the City's originally awarded budget. This would be achieved by limiting the installation of sod and not replacing certain driveways (and possibly eliminating the work east of 41<sup>st</sup> Avenue). This would result in lower quantities for these items being used than included in the current contract, which would be addressed by a subsequent CO that would reduce the quantities of these line items (and the project contract cost) at the conclusion of the project.

Please let me know if you have any questions about this.

Sincerely,  
Rick

**RICK KARKOWSKI, PE, PH, D.WRE** | Principal/Water Resources Manager

**THOMAS & HUTTON**

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