

MEMORANDUM



DATE: July 11, 2025
TO: Mayor and City Council
FROM: Assistant City Manager
SUBJECT: TRANSCO Change Order Request

RECOMMENDED ACTION

1. Approve the change order request from Williams (TRANSCO) in the amount of \$441,435.32 for the additional costs to install the meter station upgrades for Sugar Hill's gas system needs.
2. Approve attached budget amendment to the CIP recognizing the additional SPLOST funds.

BUDGET IMPACT

The project budget for 2025 is \$1,575,517. A contract with Williams, owner of the Transco Pipeline, was awarded in 2024 for a total of \$2,147,406.96. Additional funds are needed to complete the work. The budget will be amended to reflect the additional SPLOST funds necessary to fund the additional costs up to \$2,588,842.28, currently available in the SPLOST account.

DISCUSSION

In December 2024, the City Council approved a contract with Williams for an upgrade to the city's meter station to allow for the increasing flow rates and capacity for existing and future growth. The original estimate provided by Transco was \$2,147,407. However, two factors are affecting the costs on this project and have led Williams to request additional funds for the work. One is the use of a pre-assembled meter skid to help accelerate construction time, now just a short 60-day window. The other is the construction market forces affecting scarcity of materials, equipment and labor in the new regulatory environment of the new administration. Therefore, the construction bids have come in about \$100,000 higher than budgeted and there is a need to authorize a change to the contract for these items.

Staff has been working with Williams on the project's design, bid phase, and leading up to construction for six months to this point. The project will enable Sugar Hill to continue operation of its natural gas distribution system for years to come. The last investment at the meter station was in 1967. The cost per unit of gas sold annually is \$3.04 or \$207.50 per account. Over the life-cycle of the meter station, this will amount to \$0.57 per month for its 30-year life.

Attachment

Project Expense Tracking Worksheet

Project Expense Tracking Worksheet

Task Code	Task Description	Published BAC From PPM	Working BAC	Current Accruals	NTE Commitment s	ACWP	Working ETC	Working Time-Phased EAC 5/28	Working Time-Phased EAC 5/30	Under/Over Budget (Working BAC - WTPEAC)	Notes
01.000	Project Admin Services	\$93,659.96	\$93,659.96	-	-	\$4,125.16	\$85,550.00	\$89,675.16	\$89,675.16	\$3,984.80	Direct
02.000	Engineering & Design	\$86,700.00	\$86,700.00	-	-	\$37,184.54	\$59,500.00	\$96,684.54	\$96,684.54	(\$9,984.54)	Direct
03.000	Land / ROW Acquisition	-	-	-	-	-	-	-	-	-	Direct
04.000	Permitting	\$15,800.00	\$15,800.00	-	-	-	\$15,800.00	\$15,800.00	\$15,800.00	\$0.00	Direct
05.000	Procurement	\$417,490.00	\$417,490.00	\$125,811.79	\$588,051.25	\$477,010.57	\$299,989.44	\$1,085,092.32	\$777,000.00	(\$359,510.00)	Direct
06.000	Construction	\$1,069,718.00	\$1,069,718.00	\$23,939.20	\$71,939.20	\$25,704.90	\$1,144,013.10	\$1,495,422.90	\$1,169,718.00	(\$100,000.00)	Direct
07.000	Facilities Completion	\$2,000.00	\$2,000.00	-	-	-	\$2,000.00	\$2,000.00	\$2,000.00	\$0.00	Direct
08.000	Asset Removal / Retirement	\$80,000.00	\$80,000.00	-	-	-	\$80,000.00	\$80,000.00	\$80,000.00	(\$0.00)	Direct
09.000	AFUDC (Capitalized Interest)	-	-	-	-	-	-	-	-	-	Direct
10.000	Capitalized Overhead	\$44,613.00	\$44,613.00	-	-	\$6,257.08	\$14,032.42	\$25,053.85	\$20,289.50	\$24,323.50	Direct
11.000	Contingency	\$19,156.00	\$19,156.00	-	-	-	-	-	-	\$19,156.00	Direct
13.915	Accounting- Tax Gross up	\$318,270.00	\$318,270.00	-	-	-	-	\$433,459.32	\$337,675.08	(\$19,405.08)	Tax-Gross up
-	Project Summary	\$2,147,406.96	\$2,147,406.96	\$149,750.99	\$659,990.45	\$550,282.25	\$1,700,884.95	\$3,323,188.09	\$2,588,842.28	(\$441,435.32)	Total
-	Project Summary Net (includes 13.915)	\$2,147,406.96	\$2,147,406.96	\$149,750.99	\$659,990.45	(\$376,127.46)	(\$57,331.86)	(\$433,459.32)	(\$337,675.08)		Total (Direct/ tax gross up/ reimb)
-	Project Summary Gross (excludes 13.915)	-	-	-	-	\$550,282.25	\$2,339,446.52	\$2,889,728.77	\$2,251,167.20		Total (Direct)



Budget Amendment Request

Date: 11-Jul-25

Department: Capital Improvement

Discussion: TRANSCO Meter Station Upgrade
Additional Expense related to Meter Skid and Construction

GL Code	GL Description	Original Budget	Expense	Revenue	Revised Budget
322-0000-33-7105	SPLOST T23 (REV)	\$1,575,517.00		\$441,435.32	\$2,016,952.32
322-4960-54-5010	SPLOST T23 (EXPENSE)	\$1,575,517.00	\$441,435.32		\$2,016,952.32

Reviewed/Approved By:

Date:

Department Head: _____

Finance Manager: _____

City Manager/ACM: _____

Finance Dept Use:

Date Modified: _____

Updated by: _____

Council Approval

Required?