



County of Fresno

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Legislation Text

File #: 18-0765, **Version:** 1

DATE: July 10, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Contract No. 16-S-04, West Annex Jail, Change Orders

RECOMMENDED ACTION(S):

Authorize the Chairman to execute Contract Change Orders up to 5% (\$4,087,800) of the construction contract total for Contract No. 16-S-04, West Annex Jail.

Approval of the recommended action will authorize the Chairman, with a recommendation from the Director of the Department of Public Works and Planning (Director), to execute pending and future contract change orders necessary to complete construction of the West Annex Jail Project, in the amount up to \$4,087,800, which is 5% of the construction contract total, thus expediting the change order approval process. The item pertains to a project to be located in District 3, the impact of which will be countywide.

ALTERNATIVE ACTION(S):

No viable alternative action is available. If this authorization request for contract change orders is not approved, further delays may be incurred in construction of the West Annex Jail Project due to the time necessary to obtain approval for required construction work on the Project.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Sufficient appropriations and estimated revenues are included in the Department of Public Works and Planning - Capital Projects Orgs 8845 and 8846 FY 2017-18 Adopted Budget and the FY 2018-19 Recommended Budget.

DISCUSSION:

On November 14, 2017, the Board conditionally awarded Contract No. 16-S-04 to Bernard Bros., Inc. (Bernards) for the construction of the West Annex Jail, subject to approval of the award by the California Department of Finance. Following notification receipt of the requisite State approval, a Notice of Award Letter was issued to the County on December 19, 2017. Notice to proceed was issued January 12, 2018, with an allowable start date to be on the job site of January 23, 2018. Mobilization on the West Annex Jail Project began on January 29, 2018.

For contracts in excess of \$250,000, California Public Contract Code (PCC) Section 20142 limits the extent to which the Director may be authorized to execute contract change orders to 10% of the first \$250,000, plus 5% of the contract amount in excess of \$250,000. However, PCC Section 20142 applies a maximum cumulative cap of \$210,000 to change orders that can be executed by the Director. In the absence of your Board's approval of the recommended action, this limitation would require Board approval of all subsequent change orders once the cumulative maximum cap on the Director's authority has been reached. The need for such

Board approval of each subsequent change order, given the timelines of the Board calendar, would significantly delay the approval process, and could detrimentally affect the efficient progress of the project.

Approval of the recommended action will authorize the Chairman to execute contract change orders up to 5% of the construction contract total, not to exceed the cumulative amount of \$4,087,800, thereby substantially reducing the time required to process changes and minimizing the potential for additional claims based on administrative delays. The Director, in working with project management staff, will negotiate with Bernards to arrive at a change order amount that is fair and reasonable to complete the extra work. Department staff will then prepare a change order or a series of change orders which will be reviewed and cleared by the Director prior to forwarding to the Chairman for signature.

REFERENCE MATERIAL:

BAI #49.1, May 1, 2018
BAI #10, November 14, 2017

CAO ANALYST:

Sonia M. De La Rosa