



CITY COUNCIL STAFF REPORT

DATE: November 6, 2013 CONSENT CALENDAR
SUBJECT: CHANGE ORDER AUTHORITY – CHEVRON PROJECT
FROM: David H. Ready, City Manager
BY: Special Projects Coordinator

SUMMARY

The proposed action would result in special change order authority being granted by the City Council to the Special Projects Coordinator, in consultation with the City Manager, related to the Chevron Energy Solutions contract.

RECOMMENDATION:

Grant Special Change Order authority to the Special Projects Coordinator, up to the amount of 1% of the Chevron Energy Solutions contract subject to regular reporting to and consultation with the City Manager.

STAFF ANALYSIS:

The Chevron Energy Solutions contract for the city wide energy conservation project has been executed and the work is underway. This project not only involves reworking both City owned cogeneration plants but also includes the re-lamping of all city facilities and the installation of new irrigation controllers at City facilities. Numerous sites are being worked on by multiple contractor teams as the project proceeds. As the teams progress they are locating broken water lines, more light fixtures than were identified in the original audit as well as the need to make general repairs to other mechanical system components that they are running across. One of the key points in the agreement between the City and Chevron is a requirement that contractual decisions be made in a timely fashion so as to not delay their efforts to complete on-time. To that end the contract calls for the City Manager to appoint a designee to administer the project; that appointee is the Special Projects Coordinator.

On past large construction projects the City has given special change order authority in the amount of 5% of the contract amount to the project administrator subject to regular reporting to and consultation with the City Manager. For this project we seek the same

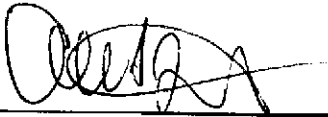
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except the dollar limit would be 1% of the contract amount. This would allow the Special Projects Coordinator to approve small change orders, to keep the project moving, up to an aggregate total of \$175,078. A suggested motion is as follows:

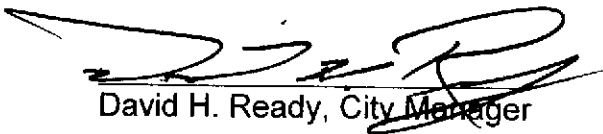
That the Special Projects Coordinator, in consultation with the City Manager, is hereby authorized to approve cumulative change orders up to 1% of the Chevron Energy Solutions contract, \$175,078, subject to regular reporting back to the City Council. When the amount of \$175,078 is exceeded, additional authority will be required by the City Council or all additional change orders thereafter shall be approved by the City Council.

FISCAL IMPACT:

There is currently \$250,000 in contingency funds in multiple accounts available for this project; this proposed authority would not allow for change orders exceeding the funds available.



Allen Smoot, Special Projects Coordinator



David H. Ready, City Manager