



CHANGE ORDER
CITY OF VALDEZ

TO: DOWL, LLC
4041 B Street
Anchorage, AK 99503

PROJECT: 2016 City Streets

DATE ISSUED: 2/2/17
CHANGE ORDER NO. 001
COST CODE NO. 310-1150-58000
310-1140-58000
310-9195-58000
PROJECT NO. 15-310-1150, -1140, -9195
CONTRACT NO. 1234
Distribute to:
Engineering _____
Owner X
Contractor X
Other _____

You are directed to make the changes in this CONTRACT as follows: Provide continued construction administration and inspection services for the City on the 2016 City Streets project.

Justification:

DOWL was contracted to provide construction administration and inspection services for the 2016 City Streets project. The construction contract was originally scheduled to be complete by September 1, 2016. The City's agreement with DOWL was to run until the middle of August assuming the project would be substantially complete by that time and their services would no longer be required. However, due to numerous design errors and Owner-directed changes, project completion was delayed. DOWL's schedule was dependent on the contractor's construction schedule, and critical remaining inspections extended beyond September 1st, particularly for the arch. It is important to note that DOWL began to reduce expenses wherever possible without sacrificing service to the City when they recognized that completion of construction would be extended. It was not until 39 days after the original completion date that DOWL demobilized from Valdez following final inspection of the arch foundations on October 10th. Still required of DOWL was review and verification of numerous Time and Materials reports for additional work that was performed by the contractor. Submittal of these reports was substantially delayed by the contractor as most of them were not submitted until December 2016 for work that had been done months before. DOWL subsequently completed their review of these reports and closeout of the project with exception of minor punchlist items that will be completed in the spring when the weather is favorable. Staff will address these remaining punchlist items without DOWL's assistance.

The original contract amount for DOWL was \$221,290. They have requested an additional \$74,356.96 to cover expenses they have incurred due to delayed completion of the project. This remaining fee is billed as Time and Expenses per the original agreement with the City, so only the exact amount of additional hours worked and expenses incurred are compensable. It is worth noting that the total of DOWL's fee for construction management services constitutes 5.0% of the Total Project Cost (TPC). A recent industry study indicates an average construction management fee of 4.8% of TPC.

Staff recommends that this change order amount be split equally among the three projects and accounts for which DOWL was contracted to administer:

\$24,785.65 to 310-1150-58000; \$24,785.65 to 310-1140-58000; \$24,785.66 to 310-9195-58000

Not valid until signed by both the Mayor and City Clerk. Signature of Contractor indicates his agreement herewith, including any adjustment in **CONTRACT** sum or **CONTRACT** time.

The original CONTRACT sum was	\$	<u>221,290.00</u>
Change by previously authorized Change Order(s).....	\$	<u>0.00</u>
The CONTRACT sum prior to this Change Order was	\$	<u>221,290.00</u>
The CONTRACT sum will be <i>increased</i> by this Change Order.....	\$	<u>74,356.96</u>
New CONTRACT sum including this Change Order will be	\$	<u>295,646.96</u>

Change Order No. 1
DOWL
Project: 2016 City Streets
January 31, 2017

CONTRACTOR

By: _____

Date: _____

CORPORATE SEAL

Attest: _____
Corporate Secretary

**AUTHORIZED BY:
CITY OF VALDEZ**

By: _____
Mayor

Attest: _____
City Clerk

Date: _____

RECOMMENDED

By: _____
City Manager

Date: _____

By: _____
Capital Facilities Director

Date: _____