

Legislation Text

File #: 17-0066, Version: 1

ITEM TITLE:

Approval of Change Order to Prosser Dagg Construction Company in the Amount of \$219,648.11 for 2016 City Streets Project

SUBMITTED BY: Jason Miles, PE, Capital Facilities Director

FISCAL NOTES:

Expenditure Required:	\$219,648.11
Unencumbered Balance:	\$617,733.54
Funding Source:	310-1150-58000 Egan Drive Beautification
	310-1140-58000 East Pioneer Drive

RECOMMENDATION:

Approve a change order to Prosser Dagg Construction Company in the amount of \$219,648.11 for the 2016 City Streets project.

SUMMARY STATEMENT:

Included herein is a list of change orders, their descriptions and backup billing information for the 2016 City Streets project that were directed by City engineering staff during construction. Most of these change orders were performed on a Time and Materials basis per the construction contract, which spells out the terms of compensation for changes directed by the Owner when a negotiated cost for the work cannot be agreed upon. By using the Time and Materials clause of the contract, the City saved over \$46K versus accepting the contractor's cost proposals.

These change orders, totaled as follows, are separated by the two individual street projects that were combined with the hospital parking lot when bid:

Egan Drive Beautification	\$109,910.07
East Pioneer Drive	\$109.738.04

Staff endeavored to address all reasonable design and construction issues to meet the needs of the City and community stakeholders. Unfortunately, the construction contractor, Prosser Dagg Construction Company, performed poorly with regard to providing detailed cost information in a timely manner. This was an issue that Staff discussed with the former City Manager on multiple occasions to ensure that Administration was kept abreast of the changes and delayed accounting provided by the contractor.

In the future, in addition to diligently tracking labor, materials and equipment for change orders,

particularly when they are directed via the Time and Materials clause of the contract, Staff will bring forward estimated change orders for formal approval by the City Manager or Council when compromised by the lack of timely paperwork submittals by the contractor.

All change orders for the project combined represent 8.1% of the original construction contract. A recent industry study indicated an average change order value of 7.5% for construction projects.