



City of Grand Island

Tuesday, February 12, 2008

Council Session

Item G18

**#2008-45 - Approving Change Orders No. 18 with Chief
Construction for Law Enforcement Center**

Staff Contact: Steve Lamken

Council Agenda Memo

From: Steven Lamken, Police Chief

Meeting: February 12, 2008

Subject: Change Order #18, Law Enforcement Center

Item #'s: G-18

Presenter(s): Steven Lamken, Police Chief

Background

The City awarded Chief Construction the contract in the summer of 2006 to construct the new law enforcement center for a cost of \$7,406,080. \$150,000 of contingency funds was provided in the contract to allow for needed change orders during the project. To date, there is \$69,926.45 remaining in contingency funds. Acceptance of change order #18 will reduce the contingency funds by \$45,000 leaving a new balance of \$24,926.45. In addition, acceptance of change order #18 will further reduce the total cost of the construction project by assessing \$45,000 in late penalties. Acceptance of change order #18 will reduce the cost of the construction project to \$7,316,080.

Discussion

Change Order #18 includes two changes in the construction project. The changes will reduce the cost of the project by \$90,000. Accepting the changes will reduce the cost of the construction project to \$7,316,080 and reduce the remaining contingency funds to \$24,926.45:

The contract for the construction project provided for \$500 per day for late penalty fees to be assessed if the project was not completed on schedule. The construction project reached substantial completion 136 days late. The project architects and the contractor, Chief Construction provided information regarding the late substantial completion date. Many of the late days can be contributed to contractor or subcontractor delays in construction while other delays could be contributed to delays by either the architects or owners by not providing the contractor timely information or directions. We are recommending the Council assess ninety days of delay against the contractor for a total of \$45,000. This has been discussed with Chief Construction and they believe it is a reasonable settlement.

The project has reached substantial completion with \$69,926.45 remaining in contingency funds. We have determined that we will need some minor changes in the building after moving in and the contractor needs to complete the remaining outside work on the project once weather permits. We are recommending reducing the contingency funds by \$45,000 leaving a balance of \$24,926.45. We believe the remaining balance will be adequate to cover any future contingencies. Any unspent contingency funds will be deducted from the total cost of the project upon final completion.

A summary of the costs of Change Order #17 are:

Assessment of Late Penalties -	- \$45,000.00
Reduction of Contingency Funds -	- \$45,000.00
Total Reduction in cost of construction -	- \$90,000.00

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council move to approve Change Order #18.

Sample Motion

Move to approve Change Order #18 with Chief Construction for the reduction in cost of the project for assessment of \$45,000 in late penalties and reduction of the contingency funds by \$45,000 for a total reduction in the cost of the construction project of \$90,000.

AIA® Document G701™ – 2001

Change Order

PROJECT (Name and address): Grand Island / Hall County Law Enforcement Center Grand Island, Nebraska	CHANGE ORDER NUMBER: 018 DATE: January 28, 2008	OWNER: <input checked="" type="checkbox"/> ARCHITECT: <input checked="" type="checkbox"/> CONTRACTOR: <input checked="" type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/>
TO CONTRACTOR (Name and address): Chief Construction Company 2107 North South Road Grand Island, Nebraska 68803	ARCHITECT'S PROJECT NUMBER: 0412 CONTRACT DATE: June 15, 2006 CONTRACT FOR: General Construction	

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)

Liquidated damages, Correspondence attached.

DATE: January 28, 2008

SCOPE: Liquidated damages due to the General Contractor being 136 days behind schedule.

COST: DEDUCT \$45,000.00

Contingency Allowance, Correspondence attached.

DATE: January 28, 2008

SCOPE: Partial reduction to the Contingency Allowance

COST: DEDUCT \$45,000.00

The original Contract Sum was	\$ 7,406,080.00
The net change by previously authorized Change Orders	\$ 0.00
The Contract Sum prior to this Change Order was	\$ 7,406,080.00
The Contract Sum will be decreased by this Change Order in the amount of	\$ 90,000.00
The new Contract Sum including this Change Order will be	\$ 7,316,080.00

The Contract Time will be increased by Zero (0) days.

The date of Substantial Completion as of the date of this Change Order therefore is September 4, 2007

The original contingency allowance included in the contract was	\$ 150,000.00
The net change to the contingency allowance by previous Change Orders	\$ 80,073.55
The contingency allowance prior to this Change Order Was	\$ 69,926.45
The contingency allowance will be decreased by this Change Order in the amount of	\$ -45,000.00
The new contingency allowance including this Change Order will be	\$ 24,926.45

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Wilson Estes Police Architects
ARCHITECT (Firm name)

5799 Broadmoor, Suite 520, Mission,
Kansas 66208

ADDRESS

BY (Signature)

Jeremy Levasseur
(Typed name)

January 28, 2008

DATE

Chief Construction Company
CONTRACTOR (Firm name)

2107 North South Road, Grand Island,
Nebraska 68803

ADDRESS

BY (Signature)

Dan Lind
(Typed name)

DATE

City of Grand Island
OWNER (Firm name)

100 East 1st Street, Grand Island,
Nebraska 68801

ADDRESS

BY (Signature)

Margaret Hornady
(Typed name)

DATE

R E S O L U T I O N 2008-45

WHEREAS, on May 2, 2006, by Resolution 2006-151, the City of Grand Island awarded a bid in the total amount of \$7,406,080.00 (including alternate bids 2 and 3) for the construction of a Law Enforcement Center to Chief Construction Company of Grand Island, Nebraska; and

WHEREAS, included in the \$7,406,080 bid was a construction contingency of \$150,000; and

WHEREAS, on February 12, 2008, by Resolution 2008-44, the City of Grand Island approved Change Order No. 17 to add a duplex receptacle in the evidence storage area; to perform additional work on the HVAC system of the building; and to install additional safety equipment on the emergency generator to include an enunciator and an emergency shut off button; and

WHEREAS, it is necessary to assess late penalties in the amount of \$45,000.00 and reduce contingency funds in the amount of \$45,000.00; and

WHEREAS, such changes, in the amount of \$45,000.00, have been incorporated into Change Order No. 18, and will decrease the contingency fund to \$24,926.45.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Mayor be, and hereby is, authorized and directed to execute Change Order No.18 for the construction of the Law Enforcement Center to provide the modification set out as follows:

Reduction of Contingency Funds.....	\$45,000.00
Assessment of Late Penalties.....	<u>\$45,000.00</u>
Total	\$90,000.00

Adopted by the City Council of the City of Grand Island, Nebraska, February 12, 2008.

Margaret Hornady, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	<input type="checkbox"/> _____
February 7, 2008	<input type="checkbox"/> City Attorney