



**Meeting Date: December 7, 2020**

**Agenda Item: 7.3**

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Authorize the General Manager to Approve Change Orders for the Kennedy Park Renovation Project

**Executive Summary:**

The Board of Directors will consider (1) authorization for the General Manager to approve change orders in an amount not to exceed 10% of the construction contract for the Kennedy Park Renovation project, and (2) authorization for the General Manager to approve an additional change order for the park-wide signage system at Kennedy Park.

**Financial Impact:**

The Five-Year Capital Improvement Plan 2020-2025 includes \$19,477,290 for the Kennedy Park Renovation (CIP No. 2-057-01) from the Measure F1 Bond funds. There is sufficient funding to cover the construction change order costs.

Construction Contract	\$14,058,700
Current GM Change Order Authority (5% of contract)	\$703,000
Request for Increase in GM Change Order Authority (+5%)	\$702,780
Total for GM's Change Order Authority (10%)	\$1,405,780
Change Orders to Date	\$676,762
Pending Change Orders	\$459,133
Anticipated Change Orders	\$152,800
Total Potential Change Orders	\$1,288,695
Potential Contingency Balance	\$117,175
Park-wide Signage System Change Order	\$256,728
Available Project Reserves	\$733,382
Estimated Project Reserve Total	\$476,654

**Staff Recommendation:**

Staff recommends that the Board of Director, by motion:

1. Authorize the General Manager to approve change orders in an amount not to exceed \$1,405,780.00 which equals 10% of the construction contract for the Kennedy Park Renovation project, and
2. Authorize the General Manager to approve the additional change order in the amount of \$256,728.00 for park-wide signage system at Kennedy Park.

**Description of Item:**

In December 2018, the Board of Directors approved a construction contract with Sausal Corporation to construct the Kennedy Park renovation project and authorized the General Manager to approve change orders in an amount not to exceed \$703,000, which equals 5% of the construction contract. To date construction is 92% complete and the total anticipated approved change orders will exceed the General Manager's authority.

Typically an amount equal to 10% of the construction contract is set aside for construction contingency. The Kennedy Park Renovation project has already budgeted that amount of \$1,405,780 for that purpose. In conformance with industry standards on budgeting for a 10% construction contingency, the District is requesting an increase in the General Manager's authority to approve change orders in an amount not to exceed \$1,405,780, or 10% of the construction contract, in order to complete the project. The change orders are a result of unforeseen conditions, permit or code issues, design errors/omissions, contractor proposed changes, and owner requested changes. A current summary of the change orders is attached and includes a breakdown of the percentage cost per category.

In addition, a comprehensive, park-wide signage system was not part of the original construction scope since the District's Signage Standards were still in development at the time that the project was advertised for bids. The new signage system has since been designed and incorporated into the construction project. The total cost for signage fabrication and installation is \$256,728. Staff is seeking authorization from the Board to approve an additional change order in the amount of \$256,728, which would be funded out of project reserves with a current balance of \$733,382.

**ATTACHMENTS:**

Description	Upload Date	Type
Kennedy Park_PCO Log_120120	12/1/2020	Backup Material