



Agenda Item No. 3

To: Building and Operating Committee/Committee of the Whole
Meeting of May 22, 2008

From: Ewa Z. Bauer, Deputy District Engineer
Denis J. Mulligan, District Engineer
Celia G. Kupersmith, General Manager

Subject: **APPROVE CHANGES TO THE CHANGE ORDER AUTHORIZATION
LIMITS FOR THE GOLDEN GATE BRIDGE SEISMIC RETROFIT
PHASE IIIA PROJECT**

Recommendation

The Building and Operating Committee recommends that the Board of Directors approve changes to the General Manager's contract change order authorization limits for the Golden Gate Bridge Seismic Retrofit Phase IIIA, North Anchorage Housing/North Pylon, Project as follows:

1. The General Manager will have the authority to approve construction contract change orders, within the financial limits of the contract budget, up to a maximum of \$250,000 for any individual change order, with contract change orders exceeding \$100,000 requiring the concurrence of the President of the Board and the Building & Operating Committee Chair;
2. The General Manager will have the authority to approve amendments to professional services agreements, within the financial limits of an agreement budget, up to a maximum of \$100,000 for any individual contract amendment; and,
3. The General Manager will have the authority to delegate portions of these approval authorities to her designees.

Summary

Currently, the General Manager has the authority to approve contract change orders up to a maximum of \$50,000, as approved by the Board of Directors and specified in the District's Procurement Manual. For the Phase I and Phase II construction and professional services contracts, these limits were increased in recognition of the size and complexity of these contracts. Staff is proposing similar increases in the General Manager's approval authority for the Phase IIIA contracts.

The Board of Directors at its March 28, 2008, meeting awarded a contract to construct the Phase IIIA Project, Contract No. 2006-B-1, to Shimmick/Obayashi JV in the amount of \$82,320,672. By the same resolution, the Board approved the total Phase IIIA project budget of \$119,231,219. In addition to the construction contract, several professional services contracts and an interagency contract with the California Highway Patrol are required during Phase IIIA construction.

Staff recommends that, commensurate with the complexity and scale of the Phase IIIA construction contract, approval limits for the General Manager for construction change orders be increased to \$100,000, and that change orders over \$100,000 and up to a maximum of \$250,000, be approved by the General Manager with the concurrence of the President of the Board and Chair of the Building and Operating Committee. Additionally, staff recommends that the General Manager have the authority to approve amendments to professional service agreements for the Phase IIIA Project up to \$100,000 per occurrence, and have the authority to delegate these approval limits to a designee in her absence. For each of these contracts, such changes will have to be within the financial limits of the Board approved contract budget. In keeping with District practice, contract change orders and amendments approved by the General Manager will be reported to the Finance-Auditing Committee on a regular basis.

The Phase IIIA Project is technically complex and vital for the safety of the Golden Gate Bridge and Bridge users, and as such, has a demanding construction schedule. Delays in receiving authorization for changes to any of the Phase IIIA contracts can expose the District to increased construction costs and delay claims. The ability to expeditiously process Phase II contract change orders under the increased level of the General Manager's authority has contributed greatly to the efficient execution of the project within the approved budget.

Fiscal Impact:

There will be no financial impact resulting from the recommended increase in approval authority limits, as all changes authorized by the General Manager must be within the original project budget.