

COUNCIL ACTION FORM

**SUBJECT: CHANGE ORDER TO WEITZ COMPANY FOR INTERMODAL FACILITY
RETAINING WALL OVER-EXCAVATION**

BACKGROUND:

During the earth work portion of the Intermodal Facility construction, poor soil conditions were found in several areas of the site. Of particular concern was the soil condition near the large retaining wall holding back College Creek. After discussions with the engineers and architects on the project, it was determined that the area would need over-excavation, or removal, of the poor soil and replacement with satisfactory clean soil.

This work would result in a change of scope and require a change order to Weitz' subcontractor completing this work, Arthur, Inc. The federally-required process for a change order is as follows.

- Step 1:** An independent cost estimate of the work is to be completed by the Architect/Engineer or Construction Manager.
- Step 2:** Solicitation of a cost proposal from the contractor based on its subcontractors cost.
- Step 3:** If the two estimates vary, the price must be negotiated between the owner/owner's representative and the contractor/subcontractor.
- Step 4:** Once agreement on the cost is determined, a change order is developed.
- Step 5:** Approval of the change order by the Transit Board of Trustees and City Council.
- Step 6:** Preparation for and payment of the change order.

Originally the two cost estimates were significantly different (\$45,000 versus \$160,000) and the reconciliation process to arrive at an agreed upon cost took considerable time to complete. This process was completed in mid-October and a change order (#12) was generated the week of October 24th.

The Transit Board of Trustees' next meeting is November 3, 2011, at which time the Trustees will consider approval of this change to the project. In light of the time it has taken to agree upon the appropriate cost, Alternative #1 is offered to

expedite resolution of this payment and keep the project moving forward. Funding for the change order is available in the construction contingency account of the project.

ALTERNATIVES:

1. Approve Change Order #12 in a not-to-exceed amount of \$52,103 to Weitz Corporation of Des Moines, Iowa, for over-excavation of poor soils on the Intermodal Facility project. This action is subject to approval by the Transit Board of Trustees on November 3, 2011.
2. Delay Council action on Intermodal Facility Change Order #12 to Weitz Corporation until the Transit Board of Trustees has taken action.
3. Do not approve Intermodal Facility Change Order #12.

MANAGER'S RECOMMENDED ACTION:

Extensive discussions have occurred regarding the scope and cost of additional work required by the subcontractor on the Intermodal Facility project to correct poor soil conditions. A price for the work has been established that all parties believe represents the cost for the magnitude of the work to be accomplished.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby approving a change order in an amount not to exceed \$52,103 to Weitz Corporation for over-excavation of the soils near the retaining wall on the Intermodal Facility project. This action is subject to Transit Board of Trustees approval on November 3, 2011.