



TO: Mayor Shaun Sipma
Members of the City Council

FROM: John R. Zakian, DR Grant Program Manager & Chief Resilience Officer

DATE: October 22, 2018

SUBJECT: **Approve Change Order #2 for Demolition Contract with Berger Enterprises LLC**

I. RECOMMENDED ACTION

City Council approval for Change Order #2 for the CDBG-DR-NDR Demolition Contract with Berger Enterprises LLC Reducing Total Contract to \$1,399,556.90 (No. 3755.4)

II. DEPARTMENT CONTACT PERSONS

John R. Zakian, DR Grant Program Manager & Chief Resilience Officer, 423-4528

III. DESCRIPTION

A. Background

This is the 2017 contract which has been completed but remains in effect for the warranty period. The contract was originally increased in Change Order #1 by \$500,000 in anticipation of unanticipated added work during the contract period. When all work was completed, only \$174,121.90 of the \$500,000 was needed. The reduction to the actual spent amount which is \$1,399,556.90 does not affect the warranty period.

B. Proposed Project

Change Order #2 is essentially a pro forma ministerial action but it does eliminate a punitive situation which arose and which we were made aware by the contractor which is that insurance company which provides their performance bond is holding them to the total contract price and not the actual amount spent. By reducing the contract total to the actual amount spent, it eliminates this unfair situation.

IV. IMPACT:

A. Strategic Impact:

Alleviates unfair cost impact to contract will preserving city warranty protection.

B. Service/Delivery Impact:

None

C. Fiscal Impact:

N/A

V. ALTERNATIVES

N/A

VI. TIME CONSTRAINTS

N/A

VII. LIST OF ATTACHMENTS

- i.* Copy of CDM Smith Letter Requesting Change Order #2

