

December 13, 2001

02-053

RATIFY ADDITIONAL EXPENDITURE AUTHORITY -
SYLVANIA CAMPUS ST BUILDING ELEVATOR
MODERNIZATION PROJECT

PREPARED BY: Roger Cardinal, Manager, Procurement & Risk Services

FINANCIAL
RESPONSIBILITY: Steve Sivage, Director, Physical Plant

APPROVED BY: Randy McEwen, Vice-President, Administrative Services
Jesus "Jess" Carreon, President

REPORT: At the May 17, 2001 Board Meeting, a contract was awarded to KONE, Inc. for the base bid amount of \$86,703 for the modernization of the elevator in the ST Building on the Sylvania Campus (Resolution 01-087). This award was the result of a formal competitive Invitation to Bid (ITB) process.

In addition to the base bid work, new environmental laws required that the shaft for this hydraulic elevator be encased in a PVC containment sleeve to prevent hydraulic fluid leakage into the ground. It was anticipated that this would require some drilling to enlarge the shaft hole. This work was included in the specifications for the project, but the cost of the work was not asked to be included with the bid responses because the College could not provide the bidders with reliable information on how the original shaft was installed or about the sub-surface conditions that they might encounter. The subsurface conditions turned out to be solid granite and the drilling required many weeks longer than anticipated. The total due to the contractor is \$220,681.82 (\$133,978.82 more than the original base bid). This additional work was included in the original Invitation To Bid specifications and was therefore allowable to pay under this contract per the College's Purchasing Rules (PCC Rule 200.210).

There was some urgency involved in making the total payment to the contractor as the drilling sub-contractor, North Coast Drilling, needed to be paid as soon as possible. President Carreon, per Board Policy B703, authorized the payment to be made. This Board Policy also requires ratification of such authorization by Board resolution.

RECOMMENDATION:

That the Board of Directors ratify the additional expenditure amount authorized by President Carreon to KONE Inc. of \$133,978.82, for a new contract total amount of \$220,681.82 for the Sylvania Campus ST Building Elevator Modernization Project. Expenditures have been paid for from the Capital Project Fund.

Director Germond moved to approve Resolutions 02-053 through 02-055 and it passed unanimously.