

April 15, 2004

04-133

RATIFY AND GRANT EXEMPTION FROM A FURTHER
COMPETITIVE BID PROCESS FOR THE ROCK CREEK
CAMPUS ELECTRICAL DISTRIBUTION UPGRADES
CONTRACT WITH CHERRY CITY ELECTRIC COMPANY

PREPARED BY: John Persen, Manager, Bond MWESB Procurement Program

FINANCIAL RESPONSIBILITY: Steve Sivage, Director, Physical Plant

APPROVED BY: Randy McEwen, Vice President, Administrative Services
Gerard "Jerry" Berger, President

REPORT: At the May 15, 2003 Board Meeting, per Resolution 03-138, a contract was ratified with Cherry City Electric Company in the low bid amount of \$558,000 for Rock Creek Campus High Voltage Electrical Distribution System Upgrades.

PCC Purchasing Policy #200.210 allows for administrative change orders to awarded public works contracts that do not exceed 33% of the original awarded amount. For this project that 33% amount is \$185,814. Change orders exceeding that amount require either a new competitive bid process for the additional work, or that an exemption from a new bid process be granted by the Board.

A Change Order #1 was approved during the course of the work in the amount of \$115,813. However, a Change Order #2 in the additional amount of \$86,401.50 became necessary, and Physical Plant staff are also anticipating a Change Order #3 for approximately \$70,000 more, pending appropriate reviews. The total of these Change Orders will be \$ 272,214.50, which exceeds the 33% authority (\$185,814) by \$86,400.50 total.

There are several reasons for this high level (46%) of Change Orders for this work. Much of the added cost was related to delays that were beyond the contractor's control. The project was originally planned for completion by August 2003, but it is still in progress, although it is in the winding-

down stage. Delays required that the contractor spend more time on the job and therefore incur added costs for supervision, equipment rentals for job trailers, extended liability insurance costs, and added costs for digging in bad weather. Causes for these delays include a delay as the design was changed from the original design specified in the bid documents. There were delays caused by other contractors not completing their work on schedule, delays for inclement weather, and delays for unforeseen underground conditions discovered as the work progressed. For instance, many undocumented underground pipes from old farms were encountered. These conditions added costs for both the cost of correcting the work and for the delay costs involved in dealing with the problems.

President Berger approved Change Order #2, per Board Policy B703, which now needs to be ratified by the Board. The contractor has performed the work as required and needs to be paid. Additionally, the Board, acting as the Local Contract Review Board for the College, must grant an exemption from a further competitive bid process for both Change Orders #2 and #3 totaling \$156,401.50.

RECOMMENDATION:

That the Board of Directors ratify and grant an exemption from a further competitive process to authorize Change Orders #2 and #3 in the amount of \$156,401.50 to the Rock Creek Campus Electrical Distribution System Upgrades contract with Cherry City Electric. The new contract total will be \$803,214.50, which includes the original amount and Change Orders #1-3.

Funding for this additional authority will be from the Bond. (The original budget estimate for this work was \$1.2 million.)

Director Germond moved to approve Resolutions 04-123 through 04-135, 04-137, and 04-138 by consent agenda and it carried unanimously.