

MEMORANDUM

TO: Bob Vitas, City Manager

FROM: Terrence Justice, Engineering

CC: E. David Fernandez, Assistant City Manager
Doug Bradshaw, Senior Project Manager

DATE: 4 January 2013

SUBJECT: **Approval of Work Change Directive 8, Project OM1201: Bulkhead 497 Repairs Outer Mole Pier and approval of a budget transfer.**

ACTION STATEMENT:

A resolution to approve Navy-approved Work Change Directive 8, Project OM1201: Bulkhead 497 Repairs Outer Mole Pier, which adds \$83,408 to the contract cost of this project. A part of this proposed Resolution is to transfer funds in the appropriate amount from Navy Reserves Account #602-1900-519-9800 to Navy Repairs and Maintenance Account #602-1900-519-4600 for project number OM1201.

BACKGROUND:

Invitation to Bid (ITB) 12-007 was advertised on 17 January, 2012 and Resolution 12-114 approved the award of this contract to Ebsary Foundation Company on 4 April 2012 in the amount of \$3,278,882.00. Work has been underway since May 2012 and all structural work has completed such that resurfacing of the Mole Pier roadway constitutes the majority of remaining work on the project.

It has been determined that existing structures will need to be adjusted in order to accommodate the elevation change of the resurfaced grade. The original milling/paving plan could not be pursued because the existing asphalt surface was determined to be much thinner than originally specified. With the approval of the U.S. Navy, Work Change Directive 8 was negotiated to authorize a change in scope to adjust the elevation of all affected structures. The Navy and the City concur that these additional and necessary adjustments warrant approval of this work change directive.

Previous approved work change directives have accounted for a net increase in total cost to this project in the amount of \$116,864. As such, the approval of this increase of \$83,408 results in a total cost increase of \$200,272 above the original award.

PURPOSE & JUSTIFICATION:

This project is in conformance with the Lease Agreement N62467-03-RP-00077 between the City and the U.S. Navy as approved by Resolution 03-138 and has been requested by the Navy via In-Kind Letter approving Ser PR712/778 dated 3 March 2012.

OPTIONS:

1. City Commission can approve Work Change Directive 8 and a budget transfer in the amount of \$83,408 dollars
2. City Commission could elect to request a revised quotation for the cost of this change order.
3. City Commission can reject this change order and instruct the Contractor to perform the work as being within the scope of the awarded contract.

FINANCIAL IMPACT:

There is no impact on the City's General Fund. A Budget Transfer will be executed as follows: Funds in the amount of \$83,408 will be moved from the Navy Reserves Account #602-1900-519-9800 to Navy Repairs and Maintenance Account #602-1900-519-4600 and used to fund the contract cost increase to project number OM1201.

RECOMMENDATION:

City Staff recommends that the City Commission approve option 1 and approve Work Change Directive 8.