

MEMORANDUM

TO: Bob Vitas, City Manager

FROM: Terrence Justice, Engineering

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

DATE: 17 August 2012

SUBJECT: **Approval to ratify the emergency approval of Work Change Directive 6, Project OM1201: Bulkhead 497 Repairs Outer Mole Pier and approval of a budget transfer.**

ACTION STATEMENT:

A resolution to ratify the emergency approval of a Navy-approved Work Change Directive 6, Project OM1201: Bulkhead 497 Repairs Outer Mole Pier, which adds \$157,631.16 to the contract cost of this project. A part of this proposed Resolution is to transfer funds in the amount of \$116,863.64 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 new sheet-pile has been installed, but is not yet structurally anchored.

During the construction of the new sheet-pile seawall, the existing seawall began to experience an accelerated structural failure which required an immediate change in tactics. With the approval of the U.S. Navy, Work Change Directive 6 was approved on an emergency basis by the City Manager to authorize a change in scope to include drilling existing sheet-pile with a diamond bit in order to install an anchoring system for the new sheet-pile. Installation of this anchoring system was already within the scope of this contract, but the Navy and the City concur that the alternate installation method of the anchors warrants this work change directive.

Previous approved work change directives have accounted for a reduction in total cost to this project in the amount of \$40,767.52. As such, the approval of this increase of \$157,631.16 results in a net cost increase of \$116,863.64, which is the amount of the budget transfer proposed by this action.

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 ratify the emergency approval of Work Change Directive 6 and a budget transfer in the amount of \$116,863.64 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 \$116,863.64 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 ratify the approval of this work change directive.