


City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 20, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF A CONSTRUCTION CONTRACT CHANGE ORDER FOR 4480 KING STREET (HEALTH DEPARTMENT AND CLUBHOUSE) FOR SERVICES PROVIDED BY TURNER CONSTRUCTION

ISSUE: Consideration for the approval of a \$129,692 contract change order for construction services provided by Turner Construction. The change order is for work performed in the renovation of 4480 King Street for the Alexandria Health Department and the Community Services Board's Clubhouse.

RECOMMENDATION: That City Council approve the proposed contract change order in the amount of \$129,692 and further authorize the City Manager to execute the contract change order on behalf of the City Council. Upon execution of the contract change order the final payment will be processed and the contract will be closed.

BACKGROUND: The new Alexandria Health Department and Clubhouse building renovation contract was awarded to Turner Construction in February 2004 for an amount of \$2,437,351. Construction began in March 2004 and the facility opened as scheduled in August, 2004. Construction was not fully completed until December 2004. During the course of the project, the City's Purchasing Agent approved seven change orders totaling \$607,679. Sixty-five percent or \$397,104 of the approved changes were attributable to capital equipment replacement costs. This work was originally scheduled to be completed after the facility opened for business. However, it was determined to be less disruptive and more cost effective to replace the equipment prior to occupancy. The current requested change order was submitted at the end of February 2005 and is the eighth and final change order. Final discussions with the contractor and staff's analysis of the back-up information did not conclude in sufficient time to schedule consideration of this matter on the Council's June 2005 docket.

The proposed change order, together with previous change orders, under the City Code exceeds the Purchasing Agent's twenty-five percent approval authority by 5.25% and thereby requires City Council approval in order to be paid. City Council's prior written approval is required for executing this contract change to compensate the contractor for unforeseen project costs. The

requested change order totaling \$129,692 is primarily a result of unforeseen building conditions and code requirements. Specific challenges encountered and resolved by the contractor include: a major change to the electrical cabinet for feeding the main power into the building (\$26,367), new electrical and plumbing lines installed in a twelve-inch concrete slab anticipated to be only four inches thick (\$44,000), installation of a sanitary line three feet deeper than planned, requiring relocation of electrical lines (\$13,251), and other smaller changes required by either field or code enforcement conditions (\$24,619). The remaining \$21,455 were customer requested changes. Turner Construction performed the work at their own risk in order to minimize potential delay claims from their subcontractors and to compress the construction sequence to meet the scheduled August 2004 facility opening. City staff believes the costs included in change order number eight are fair and reasonable.

FISCAL IMPACT: Adequate funds are available from the FY 2005 Health Department budget contingent to cover the costs of the change order.

STAFF:

Edward Mandley, Director, Department of General Services

Jack Pitzer, Purchasing Agent

Jeremy McPike, Project Manager, Department of General Services