

Department of Public Works

Bureau of Engineering
Report No. 1

January 9, 2008
CD No. 9

AUTHORIZE THE CITY ENGINEER TO NEGOTIATE AND ISSUE A CHANGE ORDER TO RECOVER DELAYS ATTRIBUTED TO THE OPERATING ENGINEERS STRIKE IN THE AMOUNT NOT-TO EXCEED \$343,000 TO TUTOR-SALIBA CORPORATION FOR THE POLICE ADMINISTRATION BUILDING PROJECT, CONTRACT No. C-110760 (W.O. No. E170910)

RECOMMENDATION

Authorize the City Engineer to negotiate and issue a change order to Tutor-Saliba Corporation in an amount not-to-exceed \$343,000 for Schedule Recovery attributed to the Operating Engineers Strike.

TRANSMITTAL

Emergency Change Order No. 120 (ECO No. 120) - Project Recovery.

FISCAL IMPACT STATEMENT

There is no immediate, direct impact on the General Fund. However, this project and change order are funded by MICLA bonds, which are repaid over a period of years by the General Fund.

DISCUSSION

Background

On September 27, 2006, the Board of Public Works awarded the Police Administration Building construction contract to Tutor Saliba Corporation (TSC). On August 1, 2007 the City received formal notification from TSC of a proposed strike by the Local 12 "Operating Engineers" that would cause a delay in the structural steel erection. The strike subsequently took place and ended on August 15, 2007 resulting in TSC's inability to get a 250 ton crane delivered, assembled, and operating to begin erecting structural steel in accordance with the approved schedule. The Contractor's scheduled date to receive and assemble the structural steel erection crane was August 9, 2007. However, due to the strike, delivery was delayed until August 21, 2007.

The structural steel erection for this project is a milestone item and is on the critical path construction schedule. An analysis of the effect of the late crane delivery as a result of the Operating Engineers Strike upon the critical path of the approved construction schedule was 12 calendar day delay for late delivery of the crane plus an additional two calendar day delay for the assembly and State Inspection of the man lift for a total of 14 calendar days.

In accordance with the General Conditions, Section 0401 "Unavoidable Delay", the Contractor is entitled to a non-compensable extension of contract time. However, the City is committed to delivering this project on time and as such, has been working with TSC to develop a recovery schedule to make-up the 14 calendar day delay. This proposed change order will provide for all costs for all trades required to bring the project back on schedule by January 14, 2008 and keep the final completion date of May 4, 2009. This change order includes all overtime and double overtime for the structural steel contractor and the cost associated with providing and installing mold resistant shaft liner, which will provide the contractor flexibility in construction sequencing and thus minimizing any potential delays to the project schedule. Additionally, this change order will include all time impacts related to the Operating Engineer's Strike and all other time impacts for which TSC has given the City written notice of impact as of October 15, 2007.

The change order has been discussed and reviewed by the City Attorney's Business and Complex Litigation Division.

The Bureau of Engineering's Board of Public Works Commissioner, Valerie Shaw was briefed and approved the Project Management Team to proceed with this change on November 13, 2007.

Change Order Status

To date, a total of 21 fully executed change orders have been issued in the amount of \$2,856,242 or 1.23 percent of the contract amount

Summary of Change Orders			
Category	Total No. of Change Orders	Dollar (\$) Amount	Percent (%) Contract Amount
Fully Executed Change Orders	21	\$ 2,856,242	1.23%
This Change Order	1	\$ 343,000	0.15%
Pending Preliminary/Emergency Change Orders	99	\$ 490,800	0.21%
Total		\$3,690,042	1.59%

Conclusion

Authorize the City Engineer to negotiate and issue a change order to Tutor-Saliba Corporation in an amount not-to-exceed \$343,000 for Schedule Recovery due to the Operating Engineers Strike.

STATUS OF FINANCING

The funding for this change order is available in MICLA Fund 26A - Police Headquarters Facility Construction Fund, Account No. A530.

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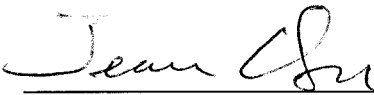
Report prepared by:

Respectfully submitted,

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Gary Lee Moore, P.E.
City Engineer

Statement as to Funds Approved by:


for Craig V. Bloomquist, Director
Office of Accounting
Date: 12/27/07

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Questions regarding this report
may be referred to:

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