

PERALTA COMMUNITY COLLEGE DISTRICT
Board of Trustees Agenda Report
For the Trustee Meeting Date of October 23, 2012

ITEM TITLE:

Consider Ratification of Change Order No. 4A, Change Order No. 5, Change Order No. 6 and Change Order No. 7, ADA Improvements at Laney College, and Partial Release of Retention to First National Insurance Company of America

SPECIFIC BOARD ACTION REQUESTED:

Ratification is requested for Change Order Nos. 4A, 5, 6 and 7 to the contract for ADA Improvements at Laney College, a cumulative deduction in the amount of (\$28,956). Approval of a partial release of retention to First National Insurance Company of America in the amount of \$103,781.71 is also requested.

ITEM SUMMARY:

The Board of Trustees previously approved Change Order Nos. 1, 2, 3 and 4. Change Order 4, ratified by the Board of Trustees at the meeting of December 6, 2011, has subsequently been rescinded. The cumulative total of Change Order Nos. 1–7 is \$200,388, or 8.6% of the contract price (\$2,318,000). However, \$52,579 of the contract changes were court ordered and are not subject to the 10% change order limit imposed by Public Contract Code Section 20659. Therefore, for purposes of calculating compliance with Public Contract Code Section 20659, the net change order amount is \$147,809, or 6.4%.

The original general contractor, IMR Construction Corporation, filed bankruptcy in May 2011, and the Laney ADA project is being completed under IMR's surety bond by Vertex Construction Services. First National Insurance Company of America is the surety company.

Following is a summary of these change orders:

Change Order No. 4A, in the amount of \$73,242

This change order for work performed by IMR was part of the takeover agreement between the District and IMR's surety, First National Insurance Company of America

Change Order No. 5, in the amount of \$130,390

- 40% of this change order is for work added to comply with an ADA legal settlement that reflects the Settlement Agreement for work added to the contract as a compromise after the bid and DSA approval
- 49% of this sum is for work along Fallon Street mandated by the City of Oakland
- 11% of this sum is for work required by District changed standards for the drinking fountains and unforeseen circumstances

Change Order No. 6, a deduct to the contract in the amount of (\$16,588)

Due to subcontractor credits and changed work resulting in cost savings to the District

Change Order No. 7, a deduct to the contract in the amount of (\$216,000)

Assesses liquidated damages of \$216,000 for a 288-day net delay in project completion at \$750 per day

Approval is also requested for a partial release of the retention payment in the amount of \$103,781.71 to First National Insurance Company of America.

SOURCE OF FUNDS (AND FISCAL/BUDGETARY IMPACT):

Measure A, as approved by the voters in Peralta’s constituency and authorized under Resolution 05/06-45, Exhibit A-1, Laney College, “Handicap accessibility.”

BACKGROUND/ANALYSIS:

On June 10, 2010, this Board awarded a contract to IMR Contractors Corporation for the ADA Improvements at Laney College. Change Order No. 1 to the contract was ratified at the Board meeting of March 15, 2011; Change Order No. 2 was ratified at the Board meeting of June 28, 2011; and Change Order No. 3 was ratified at the Board meeting of July 19, 2011. Change Order No. 4 was ratified at the Board meeting of December 6, 2011, but it has been rescinded and replaced by Change Order No. 4A.

The changes have been reviewed and approved by the project architect, the project manager, and the General Services Department. It is in the best interests of the District and financially prudent to authorize and ratify this change order.

DELIVERABLES/SCOPE OF WORK:

The scopes of work for Change Order Nos. 4A, 5, 6 and 7 are detailed in the attached Change Order Summaries.

ANTICIPATED COMPLETION DATE:

The change order work has been completed, and Board ratification is requested.

ALTERNATIVES/OPTIONS:

Not applicable.

EVALUATION AND RECOMMENDED ACTION:

Ratification is recommended for Change Order Nos. 4A, 5, 6 and 7 to the contract for ADA Improvements at Laney College, a cumulative deduction in the amount of (\$28,956). Approval of a partial release of retention to First National Insurance Company of America in the amount of \$103,781.71 is also recommended.

OTHER DEPARTMENTS IMPACTED BY THIS ACTION (E.G. INFORMATION TECHNOLOGY):

YES _____ No X

COMMENTS:

No additional comments.

WHO WILL BE PRESENTING THIS ITEM AT THE BOARD MEETING? (VICE CHANCELLOR)

Vice Chancellor Ikhara

(****Board contract approval is subject to negotiation and execution by the Chancellor.)

DOCUMENT PREPARED BY:

Prepared by: Dr. Sadiq B. Ikharo Date: October 15, 2012
Vice Chancellor of General Services

DOCUMENT PRESENTED AND APPROVED BY:

Presented and approved by: Dr. Sadiq B. Ikharo Date: October 15, 2012
Vice Chancellor of General Services

FINANCE DEPARTMENT REVIEW

Finance review required Finance review *not* required

If Finance review is required, determination is: Approved Not Approved

If not approved, please give reason: _____

Signature: Ronald Gerhard Date: 10-19-12
Ronald Gerhard, Vice Chancellor of Finance

GENERAL COUNSEL (Legality and Format/adherence to Education Codes):

Legal review required Legal review *not* required

If Legal review is required, determination is: Approved Not Approved

Signature: Thuy Thi Nguyen Date: 10-19-12
General Counsel

CHANCELLOR'S OFFICE APPROVAL

Approved, and Place on Agenda Not Approved, but Place on Agenda

Signature: José M. Ortiz Date: 10-16-12
José M. Ortiz, Chancellor