

KITTITAS COUNTY
DEPARTMENT OF PUBLIC WORKS

STAFF REPORT

SESSION DATE: January 5, 2016

ACTION REQUESTED: Authorize a Construction Change Order Process with Authorization Limits for the Director of Public Works

BACKGROUND: During the past several months, staff has been working with Board of County Commissioners creating a construction change order process for Public Works. The proposed process addresses authorization limits and addresses the need for timeliness dealing with pending construction change orders.

The process is specific to Public Works construction projects.

INTERACTION: Public Works

RECOMMENDATION: Motion to approve the Resolution authorizing an approved Construction Change Order Process for Public Works.

HANDLING: Return (2) originals to Public Works

ATTACHMENTS: Resolution with exhibits describing the adopted construction change order process.

LEAD STAFF: Mark R. Cook, Director of Public Works

BOARD OF COUNTY COMMISSIONERS
COUNTY OF KITTITAS
STATE OF WASHINGTON

RESOLUTION NO. 2016-009

A RESOLUTION ESTABLISHING A CONSTRUCTION CHANGE ORDER
PROCESS FOR PUBLIC WORKS WITH AUTHORIZATION LIMITS FOR
THE DIRECTOR

WHEREAS: Currently, the Public Works Director is limited to \$10,000 in construction change order authority by a 1998 Board of County Commission directive; and

WHEREAS: Modern Public Works construction projects typically yield change orders exceeding \$10,000; and

WHEREAS: Public Works and the Board of County Commissioners desire establishing a construction change order process with authorization limits by resolution; and

WHEREAS: Public Works staff has worked directly with the Board of County Commissioners creating the desired construction change order process with authorization limits;

NOW, THEREFORE BE IT RESOLVED the Kittitas County Board of County Commissioners declares it be in the best interest of the public, and does hereby authorize board signatures for the aforementioned Public Works construction change order process and authorized limits for the Director.

DATED this 5th day of January, 2016, at Ellensburg, Washington.

BOARD OF COUNTY COMMISSIONERS
KITTITAS COUNTY, WASHINGTON



Chair



Vice-Chair



Commissioner




Clerk of the Board

**EXHIBIT A - Kittitas County
Public Works Construction Contract Change Order Process**

Change Orders REDUCING the authorized amount of the original contract beyond \$50,000 for Public Works construction contracts approved by the Board of County Commissioners:

- The Director provides a copy via email of the proposed Change Order to all Board members and Commissioners Staff.
- The Director prepares the Change Order for signing by the Contractor.
- The Board members individually review the proposed Change Order. If any Board member believes there is a need for a Special Meeting, the Board member notifies the Commissioners Staff setting a Special Meeting no less than 24 hours of required public notice (considering Commissioner & Director schedules). The Director is notified of the Special Meeting and will not sign the proposed Change Order.
- The Board members will have 48 hours (two working days) from the time the email was sent/received to review the proposed Change Order. If there is no special meeting noticed, the Director is authorized to proceed with the Change Order upon receipt from the Contractor.

Change Orders INCREASING the authorized amount of the original contract by \$50,000 or less and within the authorized amount of the original contract previously approved by the Board of County Commissioners for construction contracts:

- The Director provides a copy via email of the proposed Change Order to all Board members and Commissioners Staff.
- The Director prepares the Change Order for signing by the Contractor.
- The Board members individually review the proposed Change Order. If any Board member believes there is a need for a Special Meeting, the Board member notifies the Commissioners Staff setting a Special Meeting no less than 24 hours of required public notice (considering Commissioner & Director schedules). The Director is notified of the Special Meeting and will not sign the proposed Change Order.
- The Board members will have 48 hours (two working days) from the time the email was sent/received to review the proposed Change Order. If there is no special meeting noticed, the Director is authorized to proceed with the Change Order upon receipt from the Contractor.

Change Orders for construction contracts INCREASING the authorized amount of the original contract above \$50,000 or any amount beyond the original Board approved contract amount:

- The Director notifies the Commissioners' Staff of the item(s) to be considered and requests a Special Meeting with no less than the required 24 hours public notice.
- Commissioners' Staff prepares an Agenda for the Special Meeting
- Special Meeting is held with a presentation by the Director or their designee.
- The Board provides direction on the proposed Change Order.

EXHIBIT B – Public Works Construction Change Order Minimum Requirements

Pursuant to the Kittitas Board of County Commission's adopted change order process (EXHIBIT A), the Director is authorized to execute construction contract change orders.

The Director shall establish terms in the original contract noticing of the Board's adopted change order process and change order requirements.

Prior to authorizing any construction change order impacting unit contract bid items, the Director shall include in all change orders the following information:

- The estimated increase or decrease in total quantities of each class.
- The unit cost of each class.
- The total cost for each class.
- The total cost of the work shown by the original estimate.
- Change order narrative describing the circumstances driving the need for the change order.
- Evidence of cost evaluation for each item of the change order.
- The change in any contract time of completion including an estimate of the dates of commencing and completing the work.

Prior to authorizing any construction change order for supplemental items not contained in contract bid items, the Director shall include the following information:

- The established basis to be used in pricing the change order defining rates for labor, materials, equipment, and markups for overhead and profit.
- A requirement to the contractor to submit detailed prices and rates for labor, materials, equipment, and markups.
- Change order narrative describing the circumstances driving the need for the change order.
- Evidence of cost evaluation for each item of the change order.

All change orders shall be documented in writing. The Director is encouraged to spot check the scrutiny provided by Architectural/Engineering firms performing construction oversight making sure detailed pricing information is obtained ensuring local government is not paying too much for labor, materials, equipment and markups.