

CHANGE ORDERS TO CONTRACTS

DISCUSSION

BACKGROUND

- North Center Street Trail, Water, and Sewer Improvements Project
- 5 change orders
- Contract amount increased from \$2,675,675 to \$6,851,289.
- Council Member Drury recommended restrictions on change orders.
- Any changes are made by ordinance and/or resolution.

BACKGROUND (CONT.)

- The Municipal Code and the Policies and Procedures do not limit the amount, number, frequency, etc. of change orders.
- Council Member Drury recommended limiting change orders to 100% of the amount of the original awarded contract. He preferred 50%.

SUBSECTION 4.02.010(C)(4)

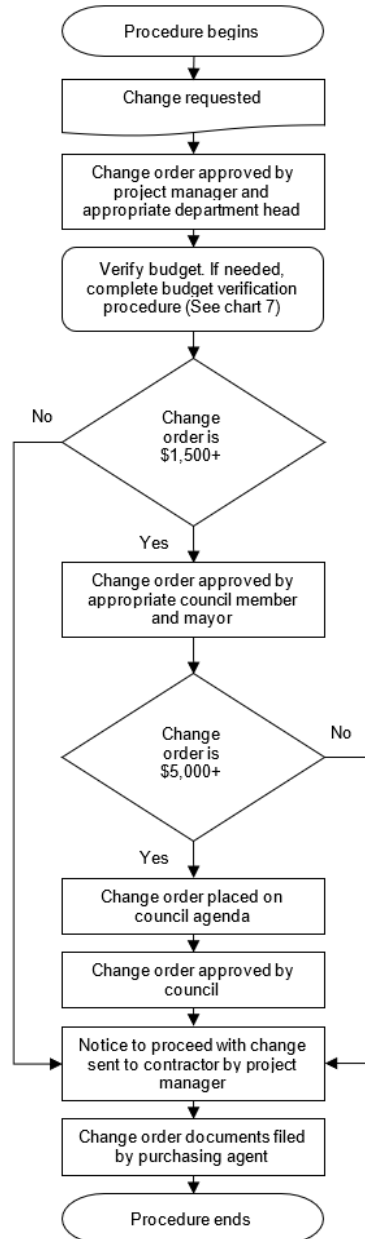
Change Order. A written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.

SUBSECTION 4.02.010(E)

Source Selection. The City Council shall set forth policies for a purchase, or the encumbrance of funds for a purchase, of any commodity or professional service. These policies shall provide guidance for:

1. Small purchases that do not require formal bids or proposals.
2. Purchases or contracts that require formal competitive sealed bids.
3. Contracts for services that can be executed through a request for proposal processes.
4. Capital improvement projects.
5. Budget verification.
6. Draw requests.
7. Release of warranty funds.
8. Contract change orders. All purchases should provide for the greatest possible economy in City procurement activities.

Chart 10: Change Order Procedure



QUESTIONS / DISCUSSION