



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JUNE 13, 2017

FROM: FINANCE DEPARTMENT WARDS: ALL

SUBJECT: FIRST AMENDMENT TO MASTER AGREEMENTS FOR EMERGENCY AND NON-EMERGENCY GENERAL CONTRACTORS PANEL – CLARIFICATION OF THE DOLLAR LIMITS OF THE AGREEMENT, EXERCISE OPTION TO EXTEND THE AGREEMENTS AND APPROVE CHANGE ORDER AUTHORITY UP TO 20% WHEN ALL PANEL CONTRACTORS REACH THE \$1 MILLION LIMIT WITHIN EACH FISCAL YEAR

ISSUE:

Approve the First Amendment to the Master Agreements with Stilwell Construction and Alabbasi Construction & Engineering for emergency and non-emergency general contracting services and approve change order authority up to 20%.

RECOMMENDATION:

That the City Council:

1. Approve the First Amendment to the Master Agreements with Stilwell Construction and Alabbasi Construction & Engineering, amending and clarifying the terms of the agreements; and
2. Authorize the City Manager, or his designee, to exercise the option to extend the Master Agreements with Stilwell Construction and Alabbasi Construction & Engineering, by two (2) years, for the period of July 1, 2017 through June 30, 2019; and
3. Authorize the City Manager, or his designee, to have change order authority increased up to 20% for each of the two agreements if both contractors reach the \$1,000,000 allocation limit before the end of each fiscal year; and
4. Authorize the City Manager, or his designee, to execute the First Amendment of the Master Agreements with Stilwell Construction and Alabbasi Construction & Engineering, including making minor and non-substantive changes.

BACKGROUND:

On October 20, 2015 City Council approved Master Agreements for Emergency and Non-Emergency General Contracting Services with Stilwell Construction and Alabbasi Construction and Engineering, who were selected through an RFP process. City Council approved a two year term plus one option to extend each agreement by two years. Both contractors respond to

emergency work related to general liability claims and non-emergency repair work, on a rotating basis. The Risk Management Division manages this contractor's panel on behalf of the City.

DISCUSSION:

The agreements which were previously approved by City Council on October 20, 2015 did not clearly address work ordered in one fiscal year yet paid in another fiscal year and the effects that would have on the annual contract dollar limits as outlined in the contract. To rectify this discrepancy, this proposed amendment clearly indicates that the total contract price limit shall not exceed one million dollars (\$1,000,000) for work assigned in a fiscal year- not the year it was paid.

The City's Purchasing Resolution No. 22576, Article Four, Section 405 (b) establishes Change Order authority limits for contracts and/or purchase orders. According to the Resolution, Change Orders which exceed 10% of the original contract price for contracts and/or purchase orders exceeding \$100,000 and up to \$1million, require City Council approval. Staff is requesting approval and authority from City Council to increase the change order authority limit up to 20% (\$200,000) of the original contract price, for each of the two agreements, if both contractors reach the \$1,000,000 allocation limit before the end of each fiscal year.

Since the inception of the agreements, both companies have provided satisfactory performance with the appropriate degree of customer service necessary for handling such work during emergency claims and other needed general contractor work. Therefore, staff recommends to exercise the option to extend each of the agreements by two (2) years, through June 30, 2019.

FISCAL IMPACT:

The cost associated with this amendment is budgeted in the existing Risk Management Division budget, Account No. 2320200-428630.

Prepared by: Scott G. Miller, PhD., Chief Financial Officer/City Treasurer
Certified as to
availability of funds: Scott G. Miller, PhD., Chief Financial Officer/City Treasurer
Approved by: Marianna Marysheva, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachments:

1. First Amendment to Master Agreement with Stilwell Construction.
2. First Amendment to Master Agreement with Alabbasi Construction & Engineering.