

INFORMATIONAL REPORT

(This item is for information only and no action is requested or required of the Board of Port Commissioners.)

TITLE: Annual Change Order Report on Construction Contracts Closed during FY 16/17

MEETING DATE: 11/30/2017

SUBMITTED BY: Chris Chan, Director of Engineering

APPROVED BY: J. Christopher Lytle, Executive Director

SUMMARY

Attached is the Annual Change Order Report on Construction Contracts Closed during FY 16/17 (Attachment A).

This report details by type the change order amount and its percentage of the original contract.

Six (6) public works contracts with an aggregate value of \$67,841,932.00 closed during fiscal year 16/17. The Port issued one hundred seven (107) change orders with a total aggregate credit value of \$5,305,282.69 against those contracts. (-\$5,305,282.69)ⁱ.

Reported for each contract is the Total project budget less Total project expenditure to account for project Variance. Also included is an assessment by the Social Responsibility Division of each projects' Local Business Utilization.

Also, attached for your reference, is a list of change order types with explanation of each. (Attachment B)

ⁱ **Special Note** – A number of high value Administrative Change Orders were issued on two of the contracts for the following reasons:

Design Build of Outer Harbor Intermodal Terminal Railyard, Phase 1, at the Former Oakland Army Base

The original Design/Build contract included \$25,100,000 in allowances for work to be performed by third party utility agencies, including Union Pacific Railroad (UPRR),

Kinder Morgan (KM), East Bay Municipal Utilities District (EBMUD), Pacific Gas & Electric (PGE), and AT&T so that all of the third party utility work would be considered eligible for grant reimbursement. As the Port continued to work with UPRR and the other utility agencies during design and construction, UPRR and the Port entered into a separate reimbursement agreement outside of the Port's construction contract. In addition, it was determined during construction that some elements of the other utility relocation work either did not need to be performed or required a lower level of effort. The deletion of the allowances for the UPRR work, as well as deletions/reductions in the work by other utility agencies resulted in an administrative credit change order of \$18,600,000.

Because this was a Design/Build contract, several high value Project Enhancement Change Orders were also issued on the above contract to meet business and operational needs identified during the design and construction stages. These enhancements include the work to preserve Warehouses 805, 806 and 807, as well as work to construct the North and South Interface tracks that connect the Port's OHIT tracks to UPRR's new South Lead track.

Construction of Outer Harbor Intermodal Terminal Support Yard

Removal of Bid Alternate A: Construct RIP/LOCO Facility and Lead Tracks. The Support Yard project contract included this item. However, subsequent to the award of the construction contract, the Maritime Division determined that this item no longer fit the business model and the item was subsequently deleted upon receiving approval of the Granting Agency. A credit change order for \$1,525,000.00 was executed.