



STAFF REPORT

DATE: March 6, 2018

TO: Ronald L. Olson, City Manager

FROM: David A. Olson, Executive Director of Public Works

SUBJECT: AUTHORIZE THE EXECUTION OF CHANGE ORDER NO. 18 TO MCLEAN CONSTRUCTION, INC, FOR THE TRIMMIER ROAD WIDENING PROJECT

BACKGROUND AND FINDINGS:

On March 11, 2014 (CCMR 14-129R), City Council awarded a construction contract to McLean Construction, Inc. in the amount of \$6,845,845.00 for the Trimmier Road Widening project. The Trimmier Road Widening project consists of the federally funded widening of Trimmier Road, and the locally funded widening of WS Young Drive, extension of Lowes Boulevard, and installation of Walmart Boulevard traffic signal. Change Order No. 18 represents the final reconciliation change order for the locally funded projects. The reconciliation change order includes the project overruns and underruns, and balances to a net project credit of \$89,716.96. A future change order will follow the same process to balance the quantities associated with the federally funded portion of this project.

THE ALTERNATIVES CONSIDERED:

- (1) Reconcile the bid line items on the City of Killeen roadway portions of the project and process a final reduction in the project contract amount.
- (2) Do not reconcile the bid line items and close the City portion of the project without reducing the contract amount. This process closes the project with an open balance and leaves room for question during a future audit process.
- (3) Do not reconcile the bid line items on a funding basis and issue a single change order to reconcile the contract. This alternative would not be consistent with the practices on this project to date, and could raise question during an audit process.

Which alternative is recommended? Why?

City Staff recommends Alternative 1 to reconcile the bid line items on the City of Killeen roadway portions of the project and process a final reduction in the project contract amount. This practice will be consistent with the practice on the project to date, and will reduce the likelihood of future questions during the final project audit process.

CONFORMITY TO CITY POLICY:

This item conforms with state and local policies.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

The fiscal impact of Change Order No. 18 is a credit of \$89,716.96. The funds will increase the unencumbered fund balance in the Certificate of Obligation 2014, Trimmier Bond account number 347-3490-800.58-76.

Is this a one-time or recurring expenditure?

This is a one-time credit to the project.

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

City staff recommends that the City Council authorize the City Manager to execute Change Order No. 18 with McLean Construction, Inc., decreasing the contract in the amount of \$89,716.96, resulting in a total contract amount of \$7,715,855.29.

DEPARTMENTAL CLEARANCES:

Public Works
Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Change Order No. 18
Bid Worksheet