

DRAFT

RESOLUTION 20xx-xxx

RESOLUTION AUTHORIZING CHANGE ORDER NO. 1 TO THE DEMOLITION AND SITE IMPROVEMENTS OF TRANSIT SHED 1 AT TENTH AVENUE MARINE TERMINAL – TIGER PROJECT TO RECOGNIZE VALUE ENGINEERING RESULTING IN A NET SAVINGS OF \$967,284 TO CONTRACT NO. 2017-03R WITH \$619,035 FOR THE DISTRICT AND \$348,249 FOR DICK MILLER, INC.

WHEREAS, the San Diego Unified Port District (District) is a public corporation created by the Legislature in 1962 pursuant to Harbors and Navigation Code Appendix I; and

WHEREAS, the Board of Port Commissioners (BPC) adopted BPC Policy No. 110 incorporating the provisions of the Construction Act to govern the processing and administration of public projects; and

WHEREAS, on October 10, 2017, the BPC approved the plans and specifications and awarded contract No. 2017-03R TIGER Phase I Project to Dick Miller, Inc. in the amount of \$12,345,678.90 in the FY 2014-2018 Capital Improvement Program; and

WHEREAS, on April 5, 2018, the District's construction team and Dick Miller, Inc. negotiated a comprehensive change order for the TIGER Phase I Project that presents cost savings to the contract through value engineering methods; and

WHEREAS, the contractor proposed 2 out of 3 of the cost savings elements, therefore, staff recommends the sharing of savings with Dick Miller, Inc.; and

WHEREAS, language in the District's public works contract does not reference a procedure for splitting cost savings between owner and contractor for proposals initiated by the contractor; and

WHEREAS, other regional contract documents do identify the method of sharing these types of cost savings; and

WHEREAS, the City of San Diego Standard Specifications for Public Works Construction Whitebook and California State Transportation Agency, Caltrans, Standard Specifications offer guidance on cost savings that the contract cost be adjusted by crediting the owner with 50% of estimated net saving amount; and

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WHEREAS, through discussions, the District and Dick Miller, Inc. have negotiated a split savings of 64% to the District and 36% to Dick Miller, Inc. for the comprehensive change order; and

WHEREAS, pending BPC authorization, the value engineering cumulative savings of \$967,284 will be shared by both parties, in a ratio of sixty-four percent for the District and thirty-six percent for Dick Miller, Inc., which in dollars is \$619,035 to the District and \$348,249 to Dick Miller Inc.

NOW THEREFORE, BE IT RESOLVED by the Board of Port Commissioners of the San Diego Unified Port District (District), hereby approves the resolution authorizing Change Order No. 1 to the Demolition and Site Improvements of Transit Shed 1 at Tenth Avenue Marine Terminal – TIGER Project to recognize value engineering resulting in a net savings of \$967,248 to Contract No. 2017-03R with the savings divided, \$619,035 for the District and \$348,249 for Dick Miller, Inc.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 17th day of July 2018, by the following vote: