

DRAFT

RESOLUTION 20xx-xxx

RESOLUTION APPROVING CHANGE ORDER NO. 4 FOR \$400,000 FOR CONTRACT NO. 2019-38, U.S. COAST GUARD PHASE II TENANT IMPROVEMENTS PROJECT, AND INCREASING THE APPROVED PROJECT BUDGET BY \$350,000, PURSUANT TO BPC POLICY NO. 110, FOR A NEW TOTAL PROJECT BUDGET OF \$3,800,000. A MAJORITY OF THIS INCREASE IS ATTRIBUTABLE TO U.S. COAST GUARD REQUESTED MODIFICATIONS AND IS ANTICIPATED TO BE REIMBURSED BY THE GENERAL SERVICES ADMINISTRATION PURSUANT TO THE LEASE.

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 (Port Act); and

WHEREAS, pursuant to BPC Policy No. 110, Board authorization is required for contract change orders in excess of 10% of the original contract award for contracts awarded in excess of two million dollars, but not in excess of ten million dollars; and

WHEREAS, on January 19, 2021, the Board authorized the award of public works contract 2019-38 to Solpac Construction, Inc dba Soltek Pacific (Contractor) in the amount of \$2,889,091 for the U.S Coast Guard Tenant Improvement Phase II project within the total project budget of \$3,450,000 approved by the Board in Equipment Outlay and Other Capital Projects (EO&OCP) from Unrestricted Resources; and

WHEREAS, to date, three contract change orders have been processed at the staff level up to the 10% limit; and

WHEREAS, staff is seeking Board approval of contract Change Order No. 4 in the amount of \$400,000 for a total construction contract value increase to \$3,577,999.37 to allow the project team to deliver additional U.S. Coast Guard (Tenant) requested project scope that is reimbursable by General Services Administration (GSA) upon project completion; and

WHEREAS, Change Order No. 4 funding is comprised of \$50,000 from remaining project budget and an additional \$350,000 from Tenant reimbursement; and

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WHEREAS, Board authorization will increase the U.S. Coast Guard Tenant Improvement Phase II total project budget to \$3,800,000 from \$3,450,000; and

WHEREAS, pursuant to lease from District to GSA granted by the Board on July 14, 2020 (Lease) via Ordinance, the project includes the remodel of existing warehouse space and new construction of a concrete loading ramp to replace the existing loading dock at the National Distribution Center (NDC) in National City; and

WHEREAS, construction commenced on March 1, 2021 and is approximately 90% completed; however, the Contractor has encountered various unforeseen conditions since the start of construction; and

WHEREAS, record drawings for the existing facility were found not to exist, therefore several design elements were discovered to conflict with the existing building and site conditions once subsurface and understructures were exposed by the Contractor; and

WHEREAS, the Tenant has requested several modifications to the project scope throughout the course of construction and recently identified additional scope to be added to the current construction contract; and

WHEREAS, pursuant to the Lease, this additional scope will be reimbursed by GSA as a lump sum payment at the completion of construction; and

WHEREAS, staff recommends the Board approve Change Order No. 4 for \$400,000 for Contract No. 2019 38, U.S. Coast Guard Phase II Tenant Improvements, and increase the project budget by \$350,000, pursuant to BPC Policy No. 110, for a total project budget of \$3,800,000. A majority of this increase is anticipated to be reimbursed by GSA pursuant to the lease.

NOW THEREFORE, BE IT RESOLVED that the Board of Port Commissioners of the San Diego Unified Port District, hereby approves Change Order No. 4 for \$400,000 for Contract No. 2019 38, U.S. Coast Guard Phase II Tenant Improvements, and increases the project budget by \$350,000, pursuant to BPC Policy No. 110, for a total project budget of \$3,800,000. A majority of this increase is anticipated to be reimbursed by GSA pursuant to the lease.

APPROVED AS TO FORM AND LEGALITY:
GENERAL COUNSEL

By: Assistant/Deputy

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PASSED AND ADOPTED by the Board of Port Commissioners of the San Diego Unified Port District, this 12th day of October 2021, by the following vote: