



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 3/17/2020

To: Board of Supervisors; Board of Directors Sonoma County Water Agency; Board of Directors Russian River County Sanitation District; Board of Directors Sonoma Valley County Sanitation District; Board of Directors Occidental County Sanitation District; and Board of Directors South Park County Sanitation District

Department or Agency Name(s): County Administrator; Transportation and Public Works; General Services; Regional Parks, and Sonoma County Water Agency

Staff Name and Phone Number: Sheryl Bratton 707-565-2241; Johannes J. Hoevertsz 707-565-2231; Caroline Judy 707-5652977; Bert Whitaker 707-565-2041; Grant Davis 707-526-5370

Vote Requirement: Majority

Supervisory District(s): All

Title:

Increase Department Head Change Order Authority for Construction Contracts and Construction-Related Professional Services Agreements

Recommended Action:

Adopt a Concurrent Resolution of the Board Of Supervisors, and the Boards of Directors of the Sonoma County Water Agency, the Russian River County Sanitation District, Sonoma Valley County Sanitation District, Occidental County Sanitation District, and the South Park County Sanitation District, increasing the delegated change order authority of certain Department Heads and the Sonoma County Water Agency General Manager up to the dollar limits set forth in the California Public Contract Code.

Executive Summary:

The County Administrator, the Director of Transportation and Public Works (TPW), the Director of General Services , the Director of Regional Parks, and the Sonoma County Water Agency (Sonoma Water) General Manager (on behalf of the Sonoma Water and the sanitation districts managed by Sonoma Water) (the "Department Heads") currently have authority to approve written change orders to construction contracts and amendments to construction-related professional services agreements up to the dollar thresholds and within the limitations established by their respective Boards in 2004. Due to inflation of construction costs for public works projects, the limit for change orders and amendments is no longer adequate to meet the original intent of the Boards, which was to expedite the change order process in order to avoid costly construction delays, and to minimize the number and cost of routine agenda items. In 2010, the State Legislature increased the dollar limit for change order delegations.

This item will increase the delegated change order authority of the department heads up to the maximum amounts established under the California Public Contract Code, as such amounts may be adjusted by the State Legislature from time to time.

Discussion:

California Public Contract Code Section 20142 allows the Board of Supervisors to authorize officers of the

County to order written changes or additions in the work being performed under construction contracts provided that the extra cost to the County for any change or addition to the work so ordered does not exceed \$5,000 when the total amount of the original contract does not exceed \$50,000, nor 10 percent of the amount of any original contract over \$50,000 and not exceeding \$250,000, and for contracts whose original cost exceeds \$250,000, the extra cost for any change or addition to the work so ordered does not exceed \$25,000, plus 5 percent of the amount of the original contract cost in excess of \$250,000, but not to exceed a maximum amount of \$210,000.

California Public Contract Code Sections 20395(d) and 20405(d) also allow delegation to the Director of TPW for change orders on highway and bridge contracts up to the same limits set forth above.

Under State law, the Boards of Directors of Sonoma Water and the sanitation districts managed by Sonoma Water may also delegate change order authority to Sonoma Water's General Manager.

By Resolution No. 04-0547, adopted on June 8, 2004, the Board of Supervisors, in a concurrent action with the Boards of Directors of Sonoma Water, the Russian River County Sanitation District, the Sonoma Valley County Sanitation District, the Occidental County Sanitation District, and the South Park County Sanitation District (the "Boards"), authorized the Department Heads to approve written change orders to construction contracts and amendments to construction-related professional services agreements approved by the Boards up to certain dollar thresholds and within certain limitations.

Under Resolution No. 04-0547, a Department Head's delegated change order authority is capped at \$50,000.

Due to inflation of construction costs for public works projects, the \$50,000 limit for change orders and amendments is no longer adequate to meet the original intent of the Boards, which was to expedite the change order process in order to avoid costly construction delays, and to minimize the number and cost of routine agenda items.

The Department Heads recommend that the Boards adopt a resolution to increase the delegated authority of the Department Heads for individual written change orders and amendments to construction-related professional services up to the maximum amounts established under the California Public Contract Code, as such amounts may be adjusted by the State Legislature from time to time.

If the Boards adopt the proposed resolution, the existing tiered limitations, which are pegged to the original contract amount, will stay the same. However, the total cap on change orders would increase from \$50,000 to \$210,000. For example, a Department Head would now have authority to execute a change order of up to \$162,500 for a \$3,000,000 construction contract (\$25,000 for the first \$250,000 in contract value plus 5% of the remaining \$2,750,000 in contract value).

The other limitations established in the 2004 board action will be retained. Specifically, the Department Head must make findings that: (a) the change order or amendment does not affect the material character of the work; and (b) the need for the change order or amendment results from unforeseen matters which are discovered after the contract was awarded and such modifications are necessary or advisable to complete the project in a timely and efficient manner. In addition, there must be sufficient appropriation for the change order or amendment. Other limitations on change orders set forth in the California Public Contract Code will also continue to apply.

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The proposed resolution would also delegate authority to the Department Heads to exercise discretionary authority to approve modifications to plans and specifications adopted by the Boards in connection with the change orders. The purpose of this delegation is to establish the discretionary approval element of a design immunity defense under Government Code Section 830.6 if the changed conditions necessitating a change order also necessitate modification to the plans and specifications adopted by the Boards.

Prior Board Actions:

Resolution No. 04-0547, adopted on June 8, 2004 - Concurrent Resolution Delegating Change Order Authority

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

None

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Concurrent Resolution Increasing Change Order Authority

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Related Items “On File” with the Clerk of the Board:

None