



Agenda Date: 2/2/2022  
Agenda Placement: 8C

## Napa Sanitation District Board Agenda Letter

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**TO:** Honorable Board of Directors

**FROM:** Timothy Healy - General Manager  
NS-Technical Services/Engineer

**REPORT BY:** Andrew Damron, Technical Services Director - 707-258-6000

**SUBJECT:** Authorize Increase of Change Order Signing Authority of the General Manager for the Browns Valley Trunk Project (CIP 14703)

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### **RECOMMENDATION**

Authorize an increase of change order signing authority for the General Manager from \$500,000 (2.4% of original contract) to a maximum of \$1,000,000 (4.8% of original contract) for the Browns Valley Trunk Project (CIP 14703) for a potential total approved contract amount of \$21,507,752.

### **EXECUTIVE SUMMARY**

Construction of the Browns Valley Trunk Project (CIP 14703) is currently in progress. NapaSan's procurement rules allow the General Manager to approve contract change orders up to \$500,000 which is 2.4% of the original contract amount. Attached for reference is NapaSan Code Section 2.03.030 (Formal Bidding for Construction) with Subsection M (Change Orders) highlighted.

NapaSan has approved four change orders to-date totaling about \$348,498. Staff expects the future change orders to exceed the change order limit in the NapaSan Code. Staff is requesting that the Board authorize the General Manager to approve change orders up to \$1,000,000. Future changes orders are not expected to reach this new limit.

A summary of the approved and potential change orders is attached to this staff report.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact? Yes

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Is it currently budgeted?	Yes
Where is it budgeted?	The project is budgeted in the Capital Improvement Program, with a total of approximately \$25.6 million. The State Revolving Fund loan includes \$4.8 million for construction change orders (for both the West Napa Pump Station project and the Browns Valley Trunk project combined). To-date the West Napa Pump Station project change order balance is negative \$45,242 (credit to NapaSan). There is adequate budget to cover the costs of the potential changes.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The proposed contract change order exceeds the General Manager's current signing authority. The General Manager cannot approve change orders above the signing authority without Board authorization.
Is the general fund affected?	Yes
Future fiscal impact:	None.
Consequences if not approved:	The change orders will not be approved.
Additional Information:	None.

**ENVIRONMENTAL IMPACT**

None.

**BACKGROUND AND DISCUSSION**

None.

**SUPPORTING DOCUMENTS**

A . NapaSan Code Section 2.03.030

B . Presentation Slides

Napa Sanitation District: Approve

Reviewed By: Timothy Healy