

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION OF THE SALINAS CITY COUNCIL CONFIRMING UPDATE TO
PUBLIC WORKS DEPARTMENT POLICY REGARDING CONTRACT CHANGE
ORDERS**

WHEREAS, in 1975 the City Charter set a formal bidding limit of \$5,000; and

WHEREAS, Public Works Department Policy 75-1 (approved in 1975) set a \$5,000 limit for contract change orders to be administratively approved; and

WHEREAS, the City Charter was amended in 1995 setting a new formal bidding amount of \$25,000, with an annual escalator not to exceed maximum of \$50,000;

WHEREAS, Public Works Department Policy 75-1 was modified in 1996 increasing the limit of administratively approved change orders to the greater of \$25,000 (with an annual escalator not to exceed maximum of \$50,000) or 10% of the contract amount; and

WHEREAS, in 2016, City Municipal Code Section 12-21 was amended to set a new formal bidding limit amount of \$100,000, which automatically adjusts annually to reflect the construction cost index percentage change as published by the Engineering News Record (ENR); and

WHEREAS, increasing the limits of approval for Public Works Contract Change Orders will reduce administrative and overhead costs for capital improvement projects and reduce the opportunity for contractors to file delay claims for additional payment.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby finds and determines that the above recitals and accompanying staff report are true and correct and have served as the basis, in part, for the actions of the City Council set forth below.

BE IT FURTHER RESOLVED that the Salinas City Council confirms Department Policy 75-1, as revised and restated herein is consistent with Salinas Code 12-21, increasing the limit of administratively approved contract change orders.

PASSED AND APPROVED this 4th day of December, 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk