



Legislation Text

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Resolution Authorizing an Increase of More than 25% of Original Contract Price Awarded Under ITB 19-47/CLP to Coastal Design & Construction, Inc. for Salt Ponds Beach Inlet Improvements - Phase 2 as Required by Hampton City Code § 2-336

PURPOSE/BACKGROUND:

In 2019, the Department of Public Works solicited a formal bid under ITB 19-47/CLP for the construction and completion of a rock jetty on the south side of the inlet, a rock spur off of the north jetty and sand tightening along the north rock jetty at Salt Ponds Inlet. The bid was awarded to Coastal Design & Construction, Inc. as the lowest responsive and responsible bidder at a quoted price of \$2,381,286.00. Subsequent to the award, a change order was submitted and approved for the sand tightening of the new south jetty in the amount of \$39,000. The dredging of the channel is necessary to remove the accumulation of silt and will benefit the overall improvements to the inlet. This will require an additional change order expected to be in the sum of approximately \$715,000. However, because the contractor is currently onsite, this amount does not include additional costs for mobilization/demobilization which is a savings of approximately \$100,000. The funding for the initial project and proposed dredging is available from General Obligations Bonds issued in FY15 and FY18 for Salt Ponds projects. The cumulative total of change orders is \$754,000, which equates to an approximate 32% increase over the original contract price. Hampton City Code § 2-336 requires the advanced written approval of City Council in order to increase a contracted amount by more than 25% or \$30,000, whichever is greater.

Discussion:

Approval by City Council to increase the contract price would allow the department to issue a change order modifying the contract to dredge the channel during construction. The scope of work under the existing contract with Coastal Design & Construction, Inc. consists of the construction and completion of a rock jetty on the south side of the inlet, a rock spur off of the north jetty and sand tightening along the north rock jetty at Salt Ponds Inlet. Coastal Design & Construction, Inc. change orders for the additional work are reasonable, and staff believes that this is the most efficient and cost effective way to have the channel dredged.

Impact:

Net Impact of \$754,000 in additional funding for Salt Ponds Beach Inlet Improvements - Phase 2.

Recommendation:

Approve Resolution

WHEREAS, the City has engaged Coastal Design & Construction, Inc. through the Virginia Public Procurement Act, for the Salt Ponds Beach Inlet Improvements - Phase 2 for \$2,381,286.00;

WHEREAS, the dredging of the channel is necessary to remove the accumulation of silt and will benefit the overall improvements to the inlet;

WHEREAS, Coastal Design and Construction, Inc. has advised that the dredging will cost approximately \$715,000.00;

WHEREAS, funding for the initial project and proposed dredging is available from General Obligation Bonds issued in FY15 and FY18 for Salt Ponds projects;

WHEREAS, Hampton City Code § 2-336 provides that a contract may be increased by more than 25% of the original contract price or \$30,000, whichever is greater, only after advanced written approval of the City Council;

WHEREAS, the additional sum necessary, as provided by the contractor, Coastal Design and Construction, Inc., for the dredging is reasonable; and

WHEREAS, because Coastal Design and Construction, Inc. is already under contract and is actively working on the Salt Ponds Beach Inlet Improvements, modifying that contract is the most efficient and cost-effective way to complete this project.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HAMPTON, VIRGINIA:

1. That it approves modification of the contract between the City and Coastal Design and Construction, Inc. by change orders in the total sum of \$754,000.00 deemed necessary for the dredging of the channel required by Hampton City Code § 2-336; and

2. That the City Manager, or her authorized designee, is authorized to execute a change order and other documents that may be necessary to effectuate the intent of this resolution.