

RESOLUTION No. 1360

A RESOLUTION OF THE COUNCIL OF THE CITY OF SALISBURY, MARYLAND APPROVING THE TEMPORARY INCREASE OF THE APPROVAL LIMITS OF THE CHANGE ORDERS FOR THE UPGRADE AND EXPANSION OF THE CITY'S WASTE WATER TREATMENT PLANT.

WHEREAS, the City of Salisbury is upgrading and expanding its waste water treatment plant, which is a very complex and challenging project, and

WHEREAS, despite very detailed engineering and review, there is a high probability of needing to make changes to the engineering specifications and construction documents because numerous variables and unforeseen site conditions; and

WHEREAS, the "Change Order" is the financial and contractual authorization and management control document used by the City to make modifications to a contract in time, financial, or other consideration; and

WHEREAS, this project's scope is so large and requires considerable amount of expensive equipment, numerous sub-contractors, and specialized materials requiring long lead-times, change orders need to be approved quickly or the City risks delay claims by the contractor because the contractor's workforce was idle during an unanticipated time period; and

WHEREAS, depending on when an idle period could occur in the construction schedule, the City's construction contractor estimated that a one-day of delay could cost upward of \$ 15,000 per day, and

WHEREAS, implementing a temporary increase to the change order limit will minimize the potential liability of the City by causing time delay of the General Construction Contractor in approving Change Orders to the expansion and upgrade of the Waste Water Treatment Plant contract.

NOW, THEREFORE, BE IT RESOLVED that the Council of the City of Salisbury, Maryland does hereby authorize temporary increase in Change Orders authorizations in accordance with the following provisions:

1. Project Specific: The Change Order limit changes are only applicable to the City of Salisbury Contracts No. 114-05: North Side and South Side Pump Stations and No. 115-05: Wastewater Treatment Plant.
2. Temporary Time Period: The change is only authorized during the period of February 15, 2006 to December 31, 2008 unless otherwise adjusted by authorized change order.
3. Tiered Authority: Three tiers of authority are proposed to be established, which are: \$ 50,000.00 or less approved by the Purchasing Director; \$ 50,000.01 to \$ 100,000.00 approved by the Mayor; and \$ 100,000.01 to \$ 150,000.00 approved by the Mayor and a City Council member selected by the President of the City Council.
4. Budget Authority: Regardless of amount, Change Orders shall only be approved within the City Council, Maryland Department of the Environment, and United States Environmental Protection Agency allocated funds for the project. Any change order exceeding funds available for the project shall be approved by the City Council and Maryland Department of the Environment.
5. Timely Notification: The City Council shall be informed in writing on the Change Order and justification within two business days following the approval of the Change Order as defined in the tiered authority in paragraph 3, above.
6. Public Meeting: All Change Orders shall be placed on the Agenda of the next City Council meeting after the Change Order was issued for ratification.

THE ABOVE RESOLUTION was introduced and duly passed at a meeting of the Council of the City of Salisbury, Maryland held on _____, 2006 and is to become effective immediately upon adoption.

ATTEST:

Brenda J. Colegrove
CITY CLERK

Michael Dunn
PRESIDENT, City Council

APPROVED by me this _____ day of _____ 2006

Barrie P. Tilghman
MAYOR, City of Salisbury

