Professional Service Amendments and Change Orders (COs)

- Timely Approvals
- Discretion/Authority to approve work
- Examples from other Bay Area Community Colleges
- Recommendations
PART 1: Professional Service Amendments

Why they happen:
- Scope change to existing project based on site condition or reviewing agency requirements
- Unanticipated engineering issue
- Additional due diligence required
- Inaccurate forecast of needs due to change in program

What we currently have in place (Architects)
- A/E contracts are approved by Board
- All changes to scope require Board authorization

What we currently have in place (Engineers)
- Individual contracts and Amendments are approved by the Board on a case by case basis
- Routine tasks are assigned to the District consulting engineer.
Professional Service Amendments
What do our peers do?

- San Mateo Community College District
  - Skyline College
  - College of San Mateo
  - Canada College
- Chabot-Los Positas Community College District
- Peralta Community College District
- West Valley-Mission College District
Board approves a prequalified list a minimum of two times per year (and in special cases, as needed).

- Project specific teams
- District Consultants

Board approves pre-specified threshold recommended by District Staff. “Filling the tank”

Board renews the threshold twice annually as recommended by District Staff.

Amendments are approved by the Vice Chancellor for Facilities with signature by the Executive Vice Chancellor.
Chabot-Los Positas Community College District

- Board approves prequalified project specific teams.
- Board approves prequalified “District Consultants.”
- Board approves pre-specified threshold recommended by District Staff. “Filling the tank.”
- Board renews the threshold on annual basis as recommended by District Staff.
- Amendments are approved by the Vice Chancellor with a the Board receiving an “informational item” report.
Peralta Community College District

- No formal prequalification process, but project specific prequalification is required.
- Vice Chancellor for Facilities has discretion to approve Amendments by written directive.
- Board ratifies the work, but the work can proceed if necessary to stay on schedule.
Board pre-approves consultants as requested by Staff.

Director of Facilities has discretion to approve up to $69,000 of Professional Service Amendments, with signature approval from the Assistant Chancellor.

Board ratifies all Professional Service Amendments.

Any requests above $69,000 require pre-approval from the Board.
Professional Service Amendments – What is appropriate for the College of Marin? Recommendations:

- Board approves a pre-qualified list of consultants twice per year.
- Board approves a spending threshold for each consultant, as recommended by Staff.
- Individual Amendments that exceed $30,000 will be brought to the Board as “informational items.”
- Amendments will be approved by the Director of Modernization with signature approval required by the Vice President of College Operations (as long as thresholds are not exceeded).
PART 2: Change Orders

- Why they happen, four common themes:
  - Unforeseen Conditions
  - User requested changes
  - Reviewing Agency requirements/Code changes
  - Drawing issues

- Why “timely”?

- What do other Districts do?
  - SMCCD
  - Chabot
  - Peralta
  - WVM
But first, a few definitions:

- “PCO” (Potential Change Order): any scope of work that might lead to additional construction cost.
- “Change Order:” A compilation of PCOs aggregated together. Change Orders have two components, money and time.
Change Orders, a reminder from our last presentation:

- What is a Change Order
- How Change Order is created
- Change Order – Process & Controls
  - Steps 1 through 8
  - Typical Timeline Total = 75 workdays
Why “timely?”

- **Cost of General Conditions**
  - Site Supervision, trailers, phones, other GC overhead.

- **Delays impact the completion date**
  - Projects are set up like “dominos,” with one affecting the next.

- **Other cost impacts**
  - Swing space
  - Temporary rental facilities

- **Impact on the Academic Calendar**
10% “Owners Allowance” is included in each project. If the allowance is not spent, it is returned to the District as a final Change Order.

Additional 10% construction contingency.

PCOs approved by Vice Chancellor.

Change Orders require signature approval by the Vice Chancellor and Executive Vice Chancellor.

Board reporting only required for Change Orders that exceed the sum of the 10% owner's allowance + 10% contingency.
5% “Owners Unspecified Allowance” is included in each project with a construction value exceeding $2M (10% for projects smaller than $2M).

Unspent Allowance is returned to the District as a final Change Order.

Additional 10% construction contingency.

PCOs approved by Vice Chancellor for Facilities.

Change Orders require signature approval by the Vice Chancellor and Executive Vice Chancellor.

Board reporting only required for Change Orders that exceed the sum of the 5% owner’s allowance + 10% contingency.
Peralta Community College District

- No Allowance or Contingency is added to a project.
- PCOs and Change Orders are approved by the Vice Chancellor for Facilities (usually in consultation with the Chancellor).
- Board reporting is required for Change Orders that exceed 10% above the original GC’s contract.
No Allowance or Contingency is added to a project.

All PCOs are approved by District staff as long as they do not exceed $69,000.

PCOs are bundled into Change Orders and all Change Orders approved by the Board.
Change Orders – What is appropriate for the College of Marin? Recommendations:

- FYI, the existing budget includes:
  - 10% contingency included in new construction project budget.
  - 15% contingency included in modernization project budget.

- Authority to authorize the use of the contingency, which would include:
  - Approval of PCOs by the Director of Modernization in order to keep projects on schedule.
  - Vice President of College Operations has authority to approve all Change Orders up to the 10% contract value.
  - BOT approves (by resolution) all CO’s in excess of the 10% contract value.

- PCOs that exceed $50,000 will be brought to the Board as an “informational item.”

- Board must ratify all Change Orders.
Discussion

Legal Aspects

Mark Kelley, Miller Brown and Dannis
Discussion

Questions & Answers
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