



Legislation Text

File #: RPT-1819-19, **Version:** 1

SUBMISSION AND ACKNOWLEDGING RECEIPT OF THE CITY MANAGER'S CHANGE ORDER REPORT AND DIRECTING THE FILING THEREOF.

INFORMATION: City Council, in its meeting of November, 8, 2011, adopted Resolution R-1112-55 delegating administrative authority to the City Manager or his designee, at his discretion, to approve change order requests that result in adjustments up to forty thousand dollars (\$40,000) or 10% of any contract, whichever is less. The Resolution also required that the administrative approvals of change orders be reported to the City Council with the City Manager's Weekly Report at the next regularly scheduled Council meeting and then filed with the original contract in the permanent records of the City Clerk.

On September 12, 2017, the Norman Utilities Authority approved Contract K-1718-5 with McKee Utility Contractors, Inc., in the amount of \$1,184,999 for the Crossroads Boulevard Area Water Line Project.

The effects of Hurricane Harvey in September, 2017, severely impacted all Polyvinyl Chloride (PVC) pipe production for several weeks. PVC pipe production is a petroleum-based process and largely based out of Houston, Texas. Both manufacturers and suppliers invoked *force majeure* clauses in the purchase/sales agreements which reflect unforeseeable or extraordinary events. The clause allows changes to pricing in contracts already in effect. The contractor documented the required increase for both 6-inch and 8-inch PVC pipe and submitted a change order. Change Order No. One in the amount of \$16,567 was signed by the City Manager on September 11, 2018. The contract amount after adding this change order is \$1,201,566 which is a 1.5% increase.