

Board Information Item

	<div>Information Packet <input type="checkbox"/></div> <div>Board Agenda Information <input type="checkbox"/></div> <div>Board Agenda Action <input checked="" type="checkbox"/></div> <div>Board Agenda Consent <input type="checkbox"/></div> <div>04/22/2024</div>
Subject:	Act on District Representatives with Authorization to Expend Owner's Contingency Funds for Construction Projects
Contact Person:	Paula Barbaroux, Chief Operations Officer
Policy/Code:	Board Policy CV(LEGAL) and (LOCAL)
Priority and Performance Objective:	Priority 4: Strong Financial Stewardship and Internal System Efficiency Objective 4.1: Transparent Financial Stewardship Objective 4.3: Long Range Facility Management Plan
Summary:	<p>Board Policy CV(LOCAL) states, "All construction projects shall be administered by the superintendent or designee." Those designees consist of the Chief Operations Officer, the Senior Construction Program Manager, and the Construction Project Manager. These positions oversee the day-to-day design and construction processes.</p> <p>In addition to managing and overseeing the construction process, the District must make timely decisions as the construction work proceeds. The Board may designate authorized representatives to act on behalf of the Owner (District) to expend contingency amounts built into the construction contract. These contracts cover a "bid package" with several projects, and the Board approves the construction contract with a specified amount of contingency funds controlled by the Owner. The contract stipulates that all unexpended contingency funds are returned to the District when the bid package and all projects in that package have been concluded. This is when the contract is "closed" through a deductive change order.</p>

Owner's contingency funds are generally used for minor design revisions, scope changes caused by unknown conditions, corrections because of minor plan or specification errors, or to add improvements during the construction renovation process. The Owner is required to render timely decisions during the construction process. Therefore, the Board shall authorize representatives who may authorize using the Owner's contingency funds. The recommended authorization will provide the names of Owner's representative having authority to expend up to \$35,000 for each contingency expenditure. This amount is \$5,000 more than authorized for the 2011 and 2016 Bond programs. Labor and materials cost increases support increasing the authorized amount in order to make timely field decisions.

Each month, the administration will present an information report listing the contingency expenditures for the prior month.

Attachments:

Recommendation: The recommendation is for the Board of Trustees to approve Dr. Brad Schnautz, Superintendent, and Paula Barbaroux, Chief Operations Officer, as the Board's representatives who are authorized to expend the Owner's contingency funds in the District's construction contracts.