

# CHANGE ORDER NO. 7



**Date:** September 12, 2016

**To Contractor:** Stronghold Engineering, Inc.  
2000 Market Street, Riverside, CA 92501

**Project:** Monterey Conference Center Renovation Project, #30C1453  
Including Portola Plaza Renovation Project, #30C1601

**Permit No.:** B15-0397 and B15-0188

**Description of Change:** Refer to attached RFP's for additional information.

ITEM NO.	DESCRIPTION	SEI CP	CHANGE IN CONTRACT PRICE	CHANGE IN CONTRACT TIME
1.	RFP-018, dated 1/7/16: Repair Colton Roof Leaks Requested by: City of Monterey Reason: Repair leaky roofs above the Colton Rooms that were originally called to remain per plan, with tile.	038	\$43,252.00	0 Days
2.	RFP-26, dated 03/16/16: Serra Ballroom Soffit Ceiling Changes Requested by: City of Monterey Reason: Install new soffit ceilings in the Serra Ballroom because the existing ceilings were in poor condition.	26R1	\$177,116.00	0 Days
3.	RFP-031, dated 05/10/16: Underground Sewer Line Repairs/ Pipe Bursting. Requested by: City of Monterey Reason: Repair the underground sewer mains that were found to be in poor condition per Cobabe's proposal dated July 13, 2016 attached to the Notice to Proceed issued on 8/4/16.	044	\$247,551.00	0 Days
4.	RFP-042, dated 07/13/16: Jeffer's Plaza Lighting Retrofit Requested by: City of Monterey and Stronghold Engineering Reason: Replace existing light fixtures in the Jeffer's Plaza which are outdated and do not match the new finishes.	048	\$35,341.00	0 Days

Change Order No. 7

Monterey Conference Center Renovation Project | #30C1453

Including Portola Plaza Renovation Project | #30C1601

Summary of Contract Price

Original Contract Amount	\$46,287,000.00
Prior Adjustments	<b>\$852,162.00</b>
Contract Sum Prior to this Change	\$47,139,162.00
<b>Adjustments for this Change</b>	<b>\$503,260.00</b>
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Revised Contract Amount	\$47,642,422.00

Summary of Contract Time (All time is represented as CALENDAR Days)

Revised Contract Time (single delivery)	474 Days	Date: 03/24/2017
<b>Adjustments for this Change</b>	<b>0 Days</b>	
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Revised Contract Time (single delivery)	474 Days	Date: 03/24/2017

The Contractor waives any claim for further adjustments of the Contract Sum and Contract Time related to items contained in the Change Order. This Change Order is complete accord and satisfaction for all items included in this Change Order. Also refer to Article 9 of the General Conditions.

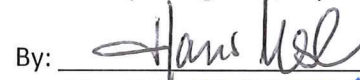
The foregoing adjustment of the Contract Price and the Contract Time for the changes noted in this Change Order (the "Changes") represents the full and complete adjustment of the Contract Price and the Contract Time due the Contractor for providing and completing such Changes, including without limitation: (i) all costs (whether direct or indirect) for labor, equipment, materials, tools, supplies and/or services; (ii) all general and administrative overhead costs (including without limitation, home office, field office and Site general conditions costs) and profit; and (iii) all impacts, delays, disruptions, interferences, or hindrances in providing and completing the Changes. The Contractor waives all rights, including without limitation those arising under Civil Code Section 1542, for any other adjustment of the Contract Price or the Contract Time on account of this Change Order or the performance and completion of the Changes.

Reviewed and Recommended for Approval  
**Ausonio Incorporated**, Construction Manager

By:  5/23/17  
Dustin Conner Date  
Project Manager

Owner Approval  
**City of Monterey**

By:  5/23/2017  
Robert Harary, PE Date  
Principal Engineer/Capital Programs Manager

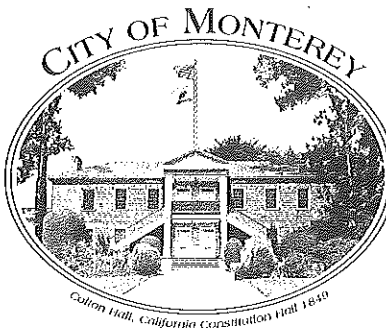
By:  5/23/2017  
Dino Pick **HANS USLAR** Date  
**ASSISTANT** Deputy City Manager, Plans and Public Works

Contractor Acceptance  
**Stronghold Engineering, Inc.**

By: **See Attachment A: City of Monterey letter, entitled "Execution of Change Orders", dated 04/12/17**  
Beverly Bailey Date  
President & CEO

Attachments: RFP-018  
RFP-026  
RFP-023  
RFP-042

Distribution: City of Monterey  
Skidmore, Owings & Merrill, LLP



## DEPARTMENT OF PLANS &amp; PUBLIC WORKS

April 12, 2017

Beverly Bailey  
Stronghold Engineering, Inc.  
2000 Market Street  
Riverside, CA 92501

Re: **Monterey Conference Center Renovation Project Including the Portola Plaza  
Renovation Project 30C1453 & 30C1601 - Execution of Change Orders**

Dear Ms. Bailey,

This letter is to document the fact that Change Orders No. 7, 8 and 9 have not been executed in accordance with the Change Order form included in the Contract Documents in Part V, Appendix D, page 9, of the Contract Forms.

In September 2016, it was in our mutual interest to add alternate language to Change Order No. 6, exclusively for "controversial" Items 1, gravity beam for Gridline K, and 2, additional scanning for base plates. Note that on the same Change Order 6, Item 3, regarding abatement and not considered "controversial," was covered by the same language included in the Contract Forms per the Contract Documents. Since that time, the City has never agreed to re-use the alternate language used specifically for Change Order No. 6 Items 1 and 2 for any subsequent Change Order items.

It is our understanding that Stronghold Engineering Inc. has refused to sign off on Change Orders No. 7, 8, and 9 using the Change Order language included in the Contract Documents. The City refuses to sign off on Change Orders 7, 8 and 9 with the alternate language requested by SEI. Consequently, we are at an impasse. Further, we anticipate that future Change Orders will have the same result.

Although Change Orders 7, 8 and 9 have not been executed per the Contract Documents, it is in our best interest to proceed with these change order tasks per the scope and cost as negotiated. Further, the City will continue to pay for these additional tasks on a monthly basis as they are being completed by SEI. However, both parties will not possess fully-executed Change Orders after No. 6, unless SEI becomes willing to execute these Change Orders in accordance with the Contract Documents.

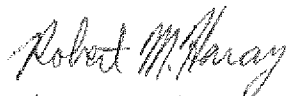
In addition, we suggest that you review General Conditions, Part III, page 45, Section 9.11, "Change Orders," which in part states:

*"All Change Orders shall be in full payment and final settlement of all claims for direct, indirect and consequential costs, including without limitation, costs of delays or impacts related to, or arising out of, times covered and affected by the Change Order, as well as any adjustments to the Contract Time."*

Therefore, neither cost increases nor additional time will be granted for these change order tasks regardless of having fully-executed change orders or not.

Please let me know if you have any questions.

Sincerely,



Robert M. Harary, P.E.  
Principal Engineer/Capital Programs Manager

CC: (by electric transmission only)  
Scott Bailey, SEI  
Denny McGahey, SEI  
Samuel J. Phillips, Ausonio  
Dustin Conner, Ausonio  
Hans Uslar, City of Monterey