

CHANGE ORDER NO. 8



Date: December 16, 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-025, dated 5/10/16: Provide Sleeves for Future Fountain in Portola Plaza Requested by: City of Monterey Reason: Added sleeves for the fountain utilities to the Portola Hotel for future fountain hook-up location.	060	\$10,282.00	0 Days
2.	RFP-028 dated 03/31/16: Correct Existing Cables Coming out of 1 st Floor Ceiling RFP-032 dated 5/16/16: Remove Raised Slab at Mezzanine level and Install (N) Slab. Requested by: SOM Reason: Unforeseen conditions required additional concrete work to stabilize the PT cables popping out of the 1 st floor ceiling between gridline K and L. On the mezzanine level an elevated slab was found and had to be removed and new slab poured at mezzanine elevation for future office floor space.	041R2	\$55,598.00	0 Days
3.	RFP-033, dated 05/16/16: Provide (N) Header Beams under Mezz Slabs below (N) Offices Requested by: SOM Reason: Unforeseen condition; the original drawings showed support beams under the slabs. Once walls were removed no beams were found. SOM directed SEI to install three new beams for support of the slabs.	040R1	\$40,229.00	0 Days

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4.	RFP-036, dated 06/23/16: Re-route Exhaust Vents from Mezzanine through 2nd Floor Kitchen Ceiling Requested by: SOM Reason: It was discovered after demolition of the Steinbeck Forum that the Serra Ballroom exhaust was vented through the second floor. Provisions had to be made to route the exhaust air through the new design.	049R4	\$96,094.00	0 Days
5.	RFP-038, dated 06/23/16: Relocate Portola Hotel Waterline and Meter Vault. Requested by: City of Monterey Reason: The plans showed the meter vault to be relocated. After investigation of the service it was determined to be a much more involved process. Additional work included re-routing the Cal-Am lines around of the future Bio-swell planters, and re-locating three meters rather than one as shown on the drawings.	058R3	\$73,010.00	0 Days
6.	RFP-041, dated 7/15/16: Retrofit of Planter Drains and Area Drains Requested by: City of Monterey Reason: Existing drains were called to be retrofitted to fit with the new design. After investigation it was determined the existing planter drains and area drains were all in bad condition and had to be replaced. This cost is to replace all drains called out to remain throughout the project, including Jeffer's Plaza, 2 nd floor terraces, and mezzanine walkways.	052R4	\$70,365.00	0 Days
7.	RFP-045, dated 08/17/16: Traffic Signal Added Conduit and Fiber Requested by: City of Monterey Reason: Traffic Engineer requested additional conduits be run to re-feed street lights, and connect fiber to the controller cabinet.	055	\$27,242.00	0 Days
8.	RFP-046, dated 08/17/16: Seal Underground Ductwork Requested by: City of Monterey Reason: It was discovered that ground water intrusion occurs in the existing underground HVAC ducts in the Serra Ballroom and De Anza Ballroom. This change is to apply a sealer coating to the interior to prevent future water intrusion.	61	\$136,767.00	0 Days

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9.	RFP-047, dated 08/17/16: Flag Pole Lights Requested by: City of Monterey Reason: City requested lights for the flag poles.	57	\$31,972.00	0 Days
10.	FO-003, dated 02/16/16: Remove Vapor Barrier as Hazardous Material Under 1 st Floor Slab; In addition to work done under PCO 30R1. Requested by: City of Monterey Reason: The vapor barrier material sandwiched between the structural concrete slab and lean concrete slab was found to be RACM (regulated asbestos containing material) and required abatement. Cost excludes credit for contract slab removal work for saw cutting performed under this PCO.	66	\$203,865.00	0 Days
11.	FO-005, dated 04/27/16: Jet and Camera Underground Plumbing Lines Requested by: City of Monterey Reason: Existing plumbing lines were cleaned out and videoed to determine the condition of the pipes.	62R1	\$10,000.00	0 Days
12.	FO-006, dated 05/25/16: Additional Disposal Fees for Oil Containing Soil in the Portola Plaza FO-007 dated 5/24/16: Remove Transite Pipe in Portola Plaza FO-008 dated 6/27/16: Portola Plaza Additional Soil Preparation Requested by: City of Monterey Reason: It was discovered that Portola Plaza had Oil containing soils that required additional disposal fees. Field order was issued to properly dispose of the transite pipe found onsite. Additional work was required to remedy unsuitable soils and debris was found in the Portola Plaza subgrade. This cost take care of all items listed above.	65R1	\$107,855.00	0 Days
13.	Add Fireproofing to FRP; including waterproofing and fireproofing at Jeffer's Plaza planter dated 8/17/16. Requested by: SEI Reason: Fiber Reinforced Polymer Composite System required fire proofing as a primary structure.	46	\$25,000.00	0 Days

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14.	Added Work for Stepped Footing at B1 Corner Request by: SOM Reason: Existing footing to be reinforced was deeper than shown on the original drawings. A stepped footing was installed to incorporate the findings.	50R1	\$16,655.00	0 Days
15.	Replace Under Ground Pull Box on Pacific Street Request by: City of Monterey Reason: Traffic rated electrical box is necessary now that vehicles can travel to the back areas of the 2 nd floor off Pacific Street.	56	\$7,429.00	0 Days
16.	Added Hardware on Oversized Swinging Door 1 Requested by : SOM Reason: No door hardware was called out for the pedestrian doors on the large access door 106A.	70	\$3,961.00	0 Days
17.	Added Plumbing in Rm 109A Requested by: SOM Reason: No plumbing work was identified in the drawings in restroom 109A.	113	\$13,043.00	0 Days

Summary of Contract Price

Original Contract Amount	\$46,287,000.00
Prior Adjustments	\$1,355,422.00
Contract Sum Prior to this Change	\$47,642,422.00
Adjustments for this Change	\$929,367.00
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Revised Contract Amount	\$48,571,789.00

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

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


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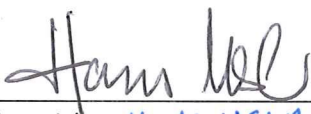
completing the Changes. The Contractor waives all rights, including without limitation those arising under Civil Code Section 1542, for any other adjustment of the Contract Price or the Contract Time on account of this Change Order or the performance and completion of the Changes.

Reviewed and Recommended for Approval
Ausonio Incorporated, Construction Manager

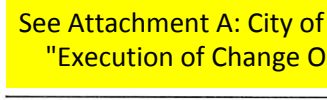
By:  5/23/17
Dustin Conner Date
Project Manager

Owner Approval
City of Monterey

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

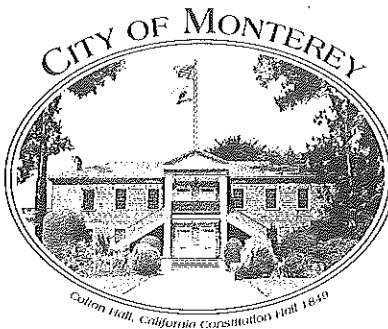
By:  5/23/2017
Dino Pick **HANS USLAR** Date
~~Deputy City Manager, Plans and Public Works~~

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-025
- RFP-028
- RFP-032
- RFP-033
- RFP-036
- RFP-038
- RFP-041
- RFP-045
- RFP-046
- RFP-047
- FO-003
- FO-005
- FO-006
- FO-007
- FO-008

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



DEPARTMENT OF PLANS & 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.

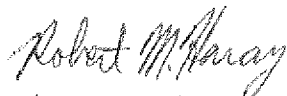
In addition, we suggest that you review General Conditions, Part III, page 45, Section 9.11, "Change Orders," which in part states:

"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