

ORDINANCE NO. 5969

**AN ORDINANCE AMENDING FAIRBANKS GENERAL CODE SECTION
54-102 CHANGE ORDERS BY INCREASING THE AMOUNTS ALLOWED
FOR CHANGE ORDERS BY ADMINISTRATION**

WHEREAS, FGC Sec. 54-101 provides that the city engineer is the administering authority for construction contracts not determined by the mayor to be administered by the director of public works; and

WHEREAS, FGC Sec. 54-102(b) grants the administering authority the authority to approve change orders for construction contracts within certain limits; otherwise, change orders must be approved by the city council under Sec. 54-102(c); and

WHEREAS, the monetary limits for change orders by the administering authority were established in 1990 by Ordinance No. 4909, as Amended; and

WHEREAS, during the past twenty-five years, there has been a significant increase in the cost of construction contracts, and the current monetary limits on changes orders by the administering authority do not reflect such increases; and

WHEREAS, giving the administering authority the ability to approve change orders within the limits set by the city council promotes efficiency and timely completion of projects, a vitally important consideration given the short construction season in Fairbanks.

NOW, THEREFORE, BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF FAIRBANKS, ALASKA, as follows:

SECTION 1. Fairbanks General Code Section 54-102 Change orders, is amended as follows [new text in **underlined bold** font; deleted text in ~~striketrough~~ font]:

Sec. 54-102. Change orders.

(a) *Proposal required.* Any change required in the work shall be made after receiving a written proposal from the contractor for additions to or deductions from the original contract sum for changes proposed.


(b) *Change orders by administration.* Upon receipt of a proposal for a change in the contract sum ~~in an amount not exceeding \$25,000.00~~; and after a determination that the contractor's proposal is reasonable, the administering authority may issue a written change order. The aggregate sum of the change orders ~~so~~ authorized **under this subsection** for each such construction contract **will be as follows:** ~~shall not exceed five percent or \$25,000.00 of the original sum, whichever is greater.~~

- (1) If the total project cost is \$1 million or less, then \$25,000 or 25% of the total project cost, whichever is greater;
- (2) If the total project cost is great than \$1 million, then \$250,000 or 10% of the total project cost, whichever is greater.

Any change order issued under this subsection ~~division~~ and which exceeds \$~~2510~~,000.00 shall be reasonably noticed to the city council by the administering authority.

(c) *Change orders by city council.* When a proposed change order exceeds the limit set forth in subsection (b) of this section, the proposal together with recommendations of the mayor shall be forwarded to the city council. The city council shall then determine whether the proposal shall be accepted or rejected.

SECTION 2. That the effective date of this Ordinance shall be the 11th day of April 2015.

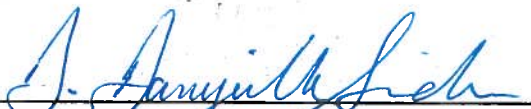


John Eberhart, City Mayor

AYES: Matherly, Cleworth, Walley, Staley, Gatewood, Pruhs
NAYS: None
ABSENT: None
ADOPTED: April 6, 2015

ATTEST:

APPROVED AS TO FORM:



D. Danyielle Snider, CMC, City Clerk



Paul J. Ewers, City Attorney