



INDIAN RIVER COUNTY, FLORIDA DEPARTMENT OF UTILITY SERVICES

Date: March 15, 2019
To: Jason E. Brown, County Administrator
From: Vincent Burke, P.E., Director of Utility Services
Prepared By: John M. Boyer, P.E., Utilities Engineer
Subject: Collier Creek Estates Subdivision Water Assessment Project: Contractor's Final Pay Request & Change Order #1; Resolution IV: Collier Creek Phases 1, 1A, and 1B; and, Resolution IV: Collier Creek Phase 2 and Harbor Point (Phase 3)

BACKGROUND:

On March 14, 2017, the Indian River County (IRC) Board of County Commissioners (BCC) adopted Resolution III confirming the special assessments in connection with the water main extension for Collier Creek Estates Utility Phases 1, 1a, and 1b. Subsequently, on June 13, 2017, the BCC adopted Resolution III for Collier Creek Estates Utility Phase 2 and Harbor Point Utility Phase 3, and directed staff to combine all phases into one bid package and advertise for bids. All phases combined included a total project budget of \$1,256,250.00, and:

- a. A total of two hundred one (201) benefitting parcels as part of the special assessment lien;
- b. An assessment cost per parcel of \$6,250.00; and
- c. Allowed owners of benefitting properties to finance the assessment cost of \$6,250.00 through the County for up to 10 years, payable in ten equal yearly installments at an annual interest rate of 5.00% (Set by the BCC each January).

ANALYSIS:

Contractor's Final Pay Request:

The combined project was advertised on July 12, 2017, bids were opened on August 16, 2017, and the contract awarded on October 3, 2017. The notice to proceed was issued December 11, 2017. The successful bid price of \$1,291,717.40 was 2.8% higher than the approved budget. However, since the successful bid price included a \$75,000.00 force account, the BCC, in its capacity to oversee the assessment process as the equalizing board per IRC Ordinance Chapter 206 (Special Assessments), authorized staff to move forward with the construction of the water main. The project is now complete and the contractor, Timothy Rose Construction, has applied for final payment.

To date, Timothy Rose Contracting, Inc. has been paid \$1,027,094.99. The attached Pay Request #5 - Final Pay includes the remainder of work complete and all retainage totaling \$109,295.03. Also attached is Change Order #1, which details a reduction of the contract price from \$1,291,717.40 to \$1,136,390.02.

Pay Request #5 – Final Pay and Change Order #1 will release the County from further obligations to the contractor.

Actual Project Cost:

Project costs are summarized in the table below:

Item Description	Estimated Combined Cost at Resolution III	Contract Price Authorized by BCC (October 3, 2017)	Actual Project Cost (Final)
Collier Creek Water Assessment	\$1,256,250.00	\$1,291,717.40	\$ 1,194,100.80*

*The Actual Project Cost includes construction and all surveying, IRC staff time, and permitting/miscellaneous fees (totaling \$57,710.78), and is approximately 95% of the Estimated Combined Cost at Resolution III. The resulting cost savings will reduce the per-parcel cost for benefitting properties.

There are 201 benefitting properties in the project. Thus, the Final Per-Parcel Cost will be:

$$\$ 1,194,100.80 / 201 = \mathbf{\$5,940.80}$$

Owners of benefitting properties that pre-paid the assessment amount of \$6,250.00 will be refunded the difference. To date, 120 of the 201 benefitting properties have opened accounts and connected to the new IRC Department of Utility Services' (IRCDUS) water system.

IRC Interest Rate

In January 2019, the BCC approved an interest rate of 5.5%. However, the Collier Creek Water Assessment project was approved, and its construction completed during calendar years 2017 and 2018 while the County's interest rate was set at 5.0%. That interest rate was communicated to the project's residents during public meetings, telephone conversations, etc. Staff therefore recommends the BCC approve Resolution IV with an interest rate of 5.0% for both assessment (per parcel) costs and impact fees.

FUNDING:

Funds for the project will be derived from the Assessment Fund. Assessment Fund revenues are generated from connection fees paid by the benefitting property owners available in the Utilities assessment fund account.

Description	Account Number	Amount
Collier Creek Water Assessment	473-169000-16515	\$ 1,194,100.80

RECOMMENDATION:

Staff requests authorization from the Board of County Commissioners for the following:

- a. Approve application for Payment No. 5 – Final Pay in the amount of \$109,295.03 to Timothy Rose Contracting and Change Order #1;
- b. Adopt Resolution IV for Collier Creek Phases 1, 1A, and 1B with a per parcel cost of **\$5,940.80** and interest rate of **5.0%** for assessment costs and impact fees; and
- c. Adopt Resolution IV for Collier Creek Phase 2 and Harbor Point Phase 3 with a per parcel cost of **\$5,940.80** and interest rate of **5.0%** for assessment costs and impact fees.
- d. Authorize staff to refund the **\$309.20** difference in per-parcel cost between Resolution III (\$6,250.00) and Resolution IV (\$5,940.80)

ATTACHMENTS:

1. Pay Application #5 – Final Pay
2. Change Order #1 - Final
3. Resolution IV – Collier Creek Phase 1, 1A, and 1B
4. Resolution IV – Collier Creek Phase 2 and Phase 3 (Harbor Point)