

**Indian River County, Florida
Department of Utility Services
Board Memorandum**

Date: June 17, 2021
To: Jason E. Brown, County Administrator
From: Vincent Burke, PE, Director of Utility Services
Prepared By: John M. Boyer, PE, Utilities Engineer
Subject: North County Water and Sewer Project Phase 2 Bid No. 2021019, Change Order #1 – Increased Materials Cost

Background:

On January 29, 2021, the Indian River County (IRC) Purchasing Department opened sealed contractor’s bids for the North County Water and Sewer Project Phase 2. The Board of County Commissioners (BCC) awarded the bid to Centerline, Inc., (Centerline) during the April 20, 2021, meeting. Prior to the April 20, 2021, BCC meeting, Centerline showed good faith in IRC and the project by holding their bid price past the required 60 days. However, material prices, specifically PVC pipe, have now increased to the point where Centerline has asked for an increase.

Analysis:

Indian River County Department of Utility Services (IRCDUS) staff is aware of the recent rapid increase in the cost of construction materials. A one-time update of the requested contract unit prices to market prices is warranted. Staff recommends the contract with Centerline for the North County Water and Sewer Phase 2 be modified by change order (see attached).

Summary:

Original Contract Price:	\$3,881,269.00
<u>Change Order #1 (Market Adjustment):</u>	<u>\$ 159,297.70</u>
Total Contract:	\$4,040,566.70

Funding:

Much of the project cost will be covered by grant funds from the Florida Department of Environmental Protection (FDEP), the Indian River Lagoon National Estuary Program (IRLNEP), and the St Johns River Water Management District (SJRWMD). The remainder will be paid for by Optional Sales Tax funds and assessment funds. Funds for the water portion of the project are derived from the assessment levied against the benefiting properties.

Project Funding:

Agency	Account Number	Amount
FDEP Water Quality Grant	N/A	\$3,250,000.00
Indian River Lagoon Cost Share Grant	N/A	\$ 204,017.69
SJRWMD	N/A	\$1,280,818.77
IRC Optional Sales Tax	31526836-006510-17513	\$ 561,996.00
Sebastian Phase 2 Water & Sewer	473-169000-17513	\$ 361,890.00
Water Impact Fee	472034-343650	\$ 209,300.00
Miscellaneous Income	471034-343670	\$ 33,067.79
Total Project Funding:		\$5,901,090.25

Project Costs to Date:

Masteller & Moler, Inc. WO 10 w/ Addendum 1:	\$ 344,430.00
Centerline, Inc. w/ CO #1:	<u>\$4,040,566.70</u>
Total:	\$4,384,996.20

Even with the proposed change order, the total available project funding of \$5,901,090.25 will be sufficient.

Recommendation:

Staff recommends the Board of County Commissioners approve Change Order #1 in the amount of \$159,297.70 for the North County Water and Sewer Project Phase 2 and bring the total contract amount to \$4,040,566.70.

Attachments:

1. Change Order #1; Centerline, Inc.