

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: August 7, 2020

To: Jason E. Brown, County Administrator

From: Vincent Burke, PE, Director of Utility Services

Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Change Order No. 8, Release of Retainage and Final Pay to Thalle (Bid #2018025)

Descriptions and Conditions:

On April 10, 2018, the Indian River County (IRC) Solid Waste Disposal District (SWDD) awarded Bid No. 2018025 in the amount of \$16,034,260.00 to Thalle Construction Company (Thalle), Inc. of Hillsborough, North Carolina, for the construction of the Landfill Segment 3 Cell 2 Expansion, Segment 2 Partial Closure and Landfill Gas System Expansion project. This funding included a base bid budget of \$14,576,600 plus a 10% contingency budget of \$1,457,660. A Notice to Proceed (NTP) was issued on May 9, 2018. Substantial completion of Segment 2 Partial Closure and Landfill Gas System Expansion phase (Milestone 1) is 180 calendar days (November 5, 2018), and substantial completion of Landfill Segment 3 Cell 2 Expansion phase (Milestone 2) is 360 calendar days (May 4, 2019) from the NTP. Final completion is 390 calendar days (June 3, 2019) from the NTP.

On September 17, 2018, Thalle submitted a request to our engineer, CDM Smith, for a 105-days-in-contract-time extension for Milestone 1, identifying wet conditions as a basis for this request. On November 20, 2018, the SWDD Board approved Change Order No. 1 to Thalle extending Milestone 1 to February 18, 2019.

On February 12, 2019, the SWDD Board approved Change Order No. 2 to Thalle for a deductive change order in the amount of \$2,659,127.14 as a result of direct purchase items, resulting in a revised contract amount of \$13,375,132.86.

On March 26, 2019, the SWDD Board approved Change Order No. 3 to Thalle to use \$12,236.97 from the approved contingency budget into the active project budget as well as adding 27 days in contract time.

On June 18, 2019, the SWDD Board approved Change Order No. 4 to Thalle for approval of \$855,955.37 from the approved contingency budget into the active project budget as well as an additional 62 days in contract time.

On August 13, 2019, the SWDD Board approved Change Order No. 5 to Thalle to use \$530,761.05 from approved contingency budget into the active project budget as well as adding 68 days in contract time. The corresponding Substantial Completion Date for Milestone 1 was changed to July 25, 2019, the Substantial Completion Date for Milestone 2 was changed to October 8, 2019, and the Final Completion Date was

changed to November 7, 2019. Based on the previous change orders to date, the original contingency budget of \$1,457,660 had been reduced to \$58,707.

On November 5, 2019, the SWDD Board approved Change Order No. 6 approving the extension in contract time for Milestone 1, Milestone 2, and Final Completion by 42 days to Thalle. The corresponding Substantial Completion Date for Milestone 1 was changed to September 5, 2019, the Substantial Completion Date for Milestone 2 was changed to November 19, 2019, and the Final Completion Date was changed to December 19, 2019.

On January 21, 2020, the SWDD Board approved Change Order No. 7 approving the extension in contract time for Milestone 2 by 43 days to January 1, 2020, and the Final Completion Date by 43 days to January 31, 2020. In addition, the approval included a request for material overruns and reconciliation of material underruns on the project bill of quantities, which was a change for reconciliation of contingency funding and did not affect the overall contract funding.

Our project engineer, CDM Smith, has reviewed and recommends for approval Change Order No. 8, release of the remaining retainage and a recommendation for final payment to Thalle for completion of the project.

Analysis:

CDM Smith reviewed the Change Order No. 8 request and recommends approval of the request by Thalle for material overruns on the project bill of quantities, as well as for additional work for the jet cleaning of existing leachate piping that was contributing to the seepage of leachate, and the regrading of an existing swale to restore the flow of stormwater. Specifically, the total material overruns equal \$1,660, and a total additional work equals \$34,453.15, resulting in a net impact of \$36,113.5 to the contingency on the project because of this change order. The corresponding impact on time is 20 days to Milestone 2 and Final Completion.

Upon approval of this change order, the total contingency remaining on the project is \$1,228.09. Similarly, the Substantial Completion Date for Milestone 2 will be changed to January 21, 2020, and the Final Completion Date will be changed to February 20, 2020.

The actual Substantial Completion Date was January 8, 2020, which was 13 days under the due date, and the Final Completion Date was on February 20, 2020. In essence, our residents and Republic Services were able to utilize the new cell and the leachate generated from the new cell was routed properly to the new lift station.

The reconciliation of the final punch-list items and the closeout of the Indian River County Department of Utility Services (IRCDUS) permit during the COVID-19 pandemic resulted in the delay in bringing this item to the SWDD Board for approval.

CDM Smith has received all of the required contractual documents and recommends to release the final retainage and issue final payment to Thalle for \$703,002.72. However, staff is recommending approval to the SWDD Board with the specific caveat that Thalle provide the final release of liens from eight (8) subcontractors prior to the issuance of the final check by the Finance Department.

Funding:

The Segment 3 Cell 2 Expansion and Segment 2 Partial Closure projects are funded from separate revenue sources; specifically, the closure cost is paid from an escrow account long established per Florida Department of Environmental Protection (FDEP) requirements. The work associated with Change Order No. 8 is covered under the contingency funding and results in the overall project coming in under budget by \$1,228.09, with the total project cost of \$13,373,904.77.

Bid No. 2018025 – Thalle Construction Company, Inc.

DESCRIPTION	ACCOUNT	AMOUNT
Construction – Segment 3 Cell 2 Expansion	411-169000-17025	\$281,601.15
Construction – Segment 2 Closure	411-239006 (Escrow)	\$421,401.57
Release of Retainage and Total Final Payment =		\$703,002.72

Recommendation:

Solid Waste Disposal District staff recommends that its Board:

1. Approve and authorize the Chairman to execute Change Order No. 8 approving the additional work and reconciliation of the project contract contingency as well as an extension in contract time for Milestone 2, and Final Completion by 20 days to Thalle Construction Company, Inc., for the Segment 3 Cell 2 Expansion, Segment 2 Partial Closure and Landfill Gas System Expansion project.
2. Approve the release of retainage and final payment in the amount of \$703,002.72 and direct the Finance Department to withhold the issuance of the check until the final release of liens are received from the eight (8) contractors that are due payment for release of retainage.

Attachment:

1. CDM Smith Letter of Recommendation
2. Change Order No. 8 and Change in Contract Summary Log
3. Final Pay Application (on file in the Department of Utility Services)