

**INDIAN RIVER COUNTY, FLORIDA
DEPARTMENT OF UTILITY SERVICES**

Date: November 3, 2017

To: Jason E. Brown, County Administrator

From: Vincent Burke, P.E., Director of Utility Services

Prepared By: Arjuna Weragoda, P.E., Capital Projects Manager
Jesse Roland, Plans Reviewer

Subject: Pinson Subdivision Petition Water Assessment Project UCP #4126, the Adoption of Resolution No. IV

BACKGROUND

On August 16, 2016, the Indian River County Board of County Commissioners (BCC) approved Resolution I (2016-074) and Resolution II (2016-075). On September 20, 2016, the BCC adopted Resolution III (2016-087), confirming the special assessments in connection with water main extension from 2000 to, and including, 2066 42nd Place, and including 4206, 4216, 4220, 4230, 4240, 4250, and 4260 20th Avenue within Pinson Subdivision, and including 2226 42nd Street in Indian River County, Florida. The BCC approved Resolution III (2016-087), the confirming resolution for a total construction cost of \$48,406.95, with the following:

- a. Cost per parcel \$3,227.13
- b. Fifteen (15) benefitting parcels part of the special assessment lien
- c. For benefitting parcels above in point b., allow property owners to finance the capital cost of \$3,227.13 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

After the adoption of Resolution III (2016-087), the project was advertised November 28, 2016, and opened December 21, 2016. Since the submitted bid price was approximately 146% higher than the engineer's estimate, Indian River County Department of Utility Services (IRCDUS) labor contractor, Blue Goose Construction, was utilized to install the water main. On February 7, 2017, Work Authorization 2017-001 was approved by the BCC to Blue Goose Construction for \$41,480.98. The total material cost was based on unit prices derived from the Annual Contract for Utility Warehouse Stock for the amount of \$21,968.32, for a total construction cost of \$63,449.30. Although a deficit of \$15,042.35 exists between Resolution III (2016-087) and the bid award, the BCC, in its capacity to oversee the assessment process as the equalizing board per Indian River County Ordinance Chapter 206 (Special Assessments), authorized staff to move forward with the construction of the water main.

The project was substantially completed by mid-March of 2017. Once the pressure and bacteriological testing was satisfactorily completed, the Florida Department of Environmental Protection (FDEP) cleared the water main for operation on April 10, 2017. Final completion of the project was achieved at the end of May, 2017, and the contractor submitted the final invoice September 29, 2017, with a final release of liens on October 16, 2017. The below table outlines the final cost of installing the water main within the Pinson Subdivision.

Item Description	Authorized Cost by BCC (2/7/17)	Actual Cost at the end of Project
Labor (by Blue Goose)	\$ 41,480.98	\$ 38,980.98
Material (by IRCDUS)	\$ 21,968.32	\$ 20,197.73
TOTAL	\$ 63,449.30	\$ 59,178.71

The deficit of \$15,042.35 at bid award now has been reduced to \$10,771.76, which will have to be covered from the Utilities Reserve Fund Balance. Per Indian River County Code of Ordinances Chapter 206.08 "...in no event shall the final special assessments exceed the amount originally assessed." Thus, the same amount of Resolution III is being assessed to each resident although the actual cost of project exceed the original amount assessed to each benefitting parcel.

FUNDING:

Funds for this project are derived from the Assessment Fund. Assessment Fund revenues are generated from connection fees paid by the benefitting property owners.

DESCRIPTION	ACCOUNT NUMBER	AMOUNT
Pinson Subdivision Water Assessment	473-169000-16525	\$ 48,406.95
Utility Reserve Fund Balance	473-169000-16525	\$ 10,771.76

RECOMMENDATION

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

- 1) Adopt Resolution IV, with a per parcel cost of **\$3,227.13.**
- 2) Approve application for Payment No. 1, Final Pay, in the amount of \$38,980.98 to Blue Goose Construction, L.L.C. Payment of \$38,980.98 to Blue Goose Construction, L.L.C. will release any further obligations of the Contractor by the County.

LIST OF ATTACHMENTS:

1. As Built-Final Resolution IV
2. Final Pay to Blue Goose Construction, L.L.C.