



## LEGISLATIVE MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Suzanne Sherman, City Manager

**THRU:** Thomas Marinelli, Acting Utilities Director; George Barber, Chief Procurement Officer

**DATE:** May 16, 2024

**RE:** Contract: South Regional Water Reclamation Facility Construction, IFB #39-0-2020, Change Order 7 – (Utilities) (RJ Sullivan Corporation, \$913,540)

### SUMMARY:

On November 5, 2020, City Council approved the award of IFB #39-0-2020/JG, South Regional Water Reclamation Facility (SRWRF) Construction, in the amount of \$24,458,000, to RJ Sullivan Corporation. This project is a new wastewater treatment facility, with an initial treatment capacity of 1.0 MGD.

Previously approved change orders are as follows:

1. Change Order No. 1 - Approved by Chief Procurement Officer (CPO) as deductive change order for Owner Direct Purchase (ODP), amount -\$243,534.84.
2. Change Order No. 2 - Approved by the CPO as deductive change order for ODP, amount -\$133,080.00.
3. Change Order No. 3 - Approved by Council on September 16, 2021. This change order was for design changes to address operation and maintenance concerns, to correct errors in the bid documents, and to improve operational efficiencies in the treatment process. This change order added 17 days of construction time, amount \$350,465.82.
4. Change order No. 4 – Approved by Council on March 3, 2022 for price increases to the Membrane Bioreactor (MBR). The price increases are for changes in design, freight costs and sub-vendor pricing. This change order added 151 days of construction time, amount is \$478,147.40.
5. Change order No. 5 – Approved by CPO as deductive change order for ODP, amount -\$3,606,939.94.
6. Change order No. 6 – Approved by Council on September 1, 2022. This change order was for design changes, correcting errors in bid documents, and includes items that have been value engineered to improve operational efficiencies. This change order added 22 days of construction time, amount \$1,049,998.75.

The ODP purchases take advantage of the City's tax-exempt status by allowing the City to directly purchase materials from the Contractor's material suppliers, avoiding sales tax that would have been charged to the Contractor. The ODP change orders as noted above have resulted in a sales tax savings of \$200,928.78.

Change order No. 7 has been submitted by the contractor for twelve (12) design changes. The changes are

to address operation and maintenance, safety, water quality concerns, to address unforeseen conditions, and pandemic related inflation. The contractor is also requesting additional time for construction due to delays in the delivery of the switch gear. This equipment is the electric power system for the plant and certain parts of construction cannot move forward until this equipment is installed. This change order will add seven hundred four (704) days to the construction time. The total change order amount is \$913,540.11.

Wade Trim has reviewed and concurs with Change Order No. 7. Additionally, the Florida Department of Environmental Protection (FDEP) will review and approve the change order; their approval is required due to the State Revolving Fund (SRF) loan received for this project. Staff has reviewed the Change Order and is in concurrence.

**REQUESTING DEPARTMENTS:**

Utilities

**FISCAL IMPACT:**

Funds are available in the Utilities Department's Connection Fee Fund 433-8031-535-6221, project 16WS05, for Change Order No. 7, amount \$913,540.11.

**STAFF RECOMMENDATION:**

Motion to approve Change Order No. 7 for the SRWRF Contraction, amount \$913,540.11 to RJ Sullivan Corporation.

**ATTACHMENTS:**

1. Change Order No. 7
2. CO justification letter