



## LEGISLATIVE MEMORANDUM

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

**FROM:** Suzanne Sherman, City Manager

**THRU:** Valentino Perez, Public Works Director

**DATE:** May 16, 2024

**RE:** Approval of Babcock and SJHP Intersection Improvements Change Order No 4 and consideration of using TIF funds

### SUMMARY:

The City entered into a contract with Timothy Rose Contracting July 25, 2022, in the amount of \$5,509,768.99 for the widening of Babcock Street at the intersection of St. Johns Heritage Parkway (SJHP). SJHP and Babcock intersection improvements were initially planned to be in two phases, the first phase involved filling a ditch on the East side of Babcock to facilitate the installation of new poles by Florida Power & Light (FPL), which was a prerequisite for the subsequent construction phases.

Change Order No. 1 dated December 16, 2022, added \$22,290.00 to the contract for soil bores required to determine the stability of the foundation as this work was not included in the original scope of work. Change Order No. 2 dated June 27, 2023, was issued in the amount of \$69,225.40 after the subsurface investigation revealed that the subgrade material was consistent with clay. This required the previously installed subgrade material be removed and the subsoil excavated.

During the execution of the first phase, the plans changed to transition the power lines from overhead to underground conduits for FPL and other utilities (such as AT&T, etc). It was indicated that following installation of conduit there would be a 30-day period for FPL's wire installation. During monthly utility discussions, it was discovered that FPL faced easement issues, necessitating a project redesign. This redesign and the addressing of the easement issues resulted in a delay of 249 days and resulting in Change Order No 3 for time. The City's interlocal agreement (ILA) with Brevard County previously required this work for Phase 3 improvements as referenced in the ILA be complete by 4/26/2024. The City Manager's Office received an extension of the ILA for the Phase 3 improvements through December 31, 2024.

Throughout this delay, costs have increased due to the continued presence of Maintenance of Traffic (MOT) devices, increases in the prices of labor, materials, subcontractor services, as well as several

design changes, notably at Journey Drive. These compounded issues not only extended the project timeline significantly but also added considerable financial increases. The contractor has presented Change Order No. 4 in the amount of \$923,767.53 representing the cost increases and additions to the contract.

Staff has reviewed the quantities and costs and requests council approval to proceed with Change Order No 4 in the amount of \$923,767.53, bringing the sum of all change orders to \$1,015,282.93, an increase of 18%. The City's Procurement Policy allows the Chief Procurement Officer to approve change orders up to 10% and less than \$100,000; any change order in excess of \$100,000 will be brought before Council for approval.

**REQUESTING DEPARTMENTS:**

Public Works

**FISCAL IMPACT:**

Once approved by Council, a Budget Amendment will be submitted transferring \$750,000.00 from 199-0000-392-1001 Undesignated Fund Balance to 199-7050-541-6502/21PW06.

**STAFF RECOMMENDATION:**

Motion to 1) authorize the execution of Change Order No. 4 to Timothy Rose Contracting Bid 45-0-2022, and 2) authorize the use of TIF funds as detailed in the fiscal impact.

**ATTACHMENTS:**

1. Bid 45-0-2022 Change Order No 4 (21PW06)