

**PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY**

**Meeting Date:**      **May 19, 2015**

**Consent [X]      Regular [ ]**  
**Public Hearing [ ]**

**Department:**      **Water Utilities Department**

**I. EXECUTIVE BRIEF**

**Motion and Title:** **Staff recommends motion to approve:** Contract Termination Agreement of a Construction Contract with Ric-Man International, Inc. (R2013-0769) in the amount of \$35,266.34.

**Summary:** On June 18, 2013, the Board of County Commissioners (BCC) approved a contract in the amount of \$1,575,499.50 with Ric-Man International, Inc. to construct the Pump Station 5229 Bypass (Project). The scope of work for the Project consisted of the rebuilding, upsizing and replacement of the pump station bypass. During project implementation issues arose as to the constructability of the Project. The County is exercising its right to terminate the Contract for convenience following a negotiated and mutually agreeable resolution of all claims related to this Project by both parties. There have been no change orders to date. With the Settlement amount, the County will have paid \$491,494.69 in total for materials that is in our possession and will be used when the project goes to construction after it has been redesigned and bid. The Contract Termination Agreement is a negotiated resolution of work performed by Ric-Man International, Inc. and is within the budgeted project amount. The Small Business Enterprise (SBE) participation goal established by the SBE Ordinance is 15% overall. The Contract provided for 15.04% SBE participation. Actual SBE participation is 0% overall for this contract. (WUD Project No. 11-035) District 2 (JM)

**Background and Justification:** On June 18, 2013, the BCC approved the Contract for the Pump Station 5229 Force Main Bypass Project in the amount of \$1,575,499.50 with Ric-Man International, Inc. to replace the existing undersized bypass piping. During the initial stage of the Contract, issues arose as to the constructability of the Project. It was determined that a rebid for this Project is in the best interest of the County.

**Attachment:**

1. Three (3) Original Contract Termination Agreement

Recommended By:

  
**Department Director**

5-6-15

**Date**

Approved By:

  
**Assistant County Administrator**

5-6-15

**Date**

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2015	2016	2017	2018	2019
Capital Expenditures	<u>\$35,266.4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Program Income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(County)					
In-Kind Match County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>\$35,266.4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE					
POSITIONS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
(Cumulative)					

**Budget Account**      **Fund** **4011**   **Dept** **721**    **Unit** **W019**   **Object** **6547**  
**No.:**

Is Item Included in Current Budget?      Yes   X        No       

Reporting Category **N/A**

**B. Recommended Sources of Funds/Summary of Fiscal Impact:**

One (1) time capital expenditure from Water Utilities Department user fees, connection fees and balance brought forward.

C. Department Fiscal Review: Delia m west

### III. REVIEW COMMENTS

**A. OFMB Fiscal and/or Contract Development and Control Comments:**

Sheng Bu  
3/27 3/17 OFMB

Dr. J. Jacobson 4/30/15  
Contract Development and Control  
4-30-15 B. O'Keefe

**B. Legal Sufficiency:**

Legal Sufficiency: James C. Mayo 5/4/15  
Assistant County Attorney

**C. Other Department Review:**

Purchasing Department Director

This summary is not to be used as a basis for payment.

## CONTRACT TERMINATION AGREEMENT

This Agreement is made this 31 day of March, 2015, between Ric-Man International, Inc. (RIC-MAN) and Palm Beach County (COUNTY).

Whereas, RIC-MAN and COUNTY entered into a contract for Water Utilities Department Project No. WUD 11-035 for the construction of the Pump Station 5229 Bypass (hereinafter Project) and

Whereas, during the course of the Project issues arose as to the constructability of the Project, and

Whereas, COUNTY intends to exercise its right to terminate the contract for convenience and the parties have met and negotiated a mutually agreeable final resolution of all of the claims related to the Project, and

Whereas, the parties to this agreement desire to terminate and close out the construction contract and the Project,

Now, therefore, in consideration of the mutual promises contained herein, the parties agree that COUNTY will perform those items identified Palm Beach County's obligations and RIC-MAN will perform those items identified as RIC-MAN's Obligations as follows:

### I. Palm Beach County's Obligations

- A. Upon satisfactory completion of all of RIC-MAN's Obligations, the COUNTY will pay RIC-MAN the amount of Thirty Five Thousand Two Hundred Sixty Six Dollars and Thirty Four Cents (\$35,266.34) in full settlement of all of RIC-MAN's claims for compensation on the Project and any other amount which RIC-MAN has claimed or might have claimed arising in any way out of the performance of the contract.

### II RIC-MAN's Obligations

- A. RIC-MAN will complete the contractually required actions for contract close and final payment consisting of the submission of the contractually required documentation. In the event that a final change order is required to close out the Project, RIC-MAN agrees to execute a change order reflecting the terms of this agreement.


By executing this agreement, RIC-MAN releases, and agrees to hold harmless, COUNTY and/or its officers, employees, agents, successors, or assigns, from any and all claims which RIC-MAN had, has, or might in the future have, against COUNTY and/or its officers, employees, agents, subcontractors, materialmen, successors, or assigns, in any way arising out of the design, construction, or administration of the Project and termination of the contract including, but not limited to, claims related to any actions or inactions of COUNTY's officers, employees, agents, consultants, successors, or assigns.

By executing this agreement, COUNTY releases RIC-MAN, its officers, employees, agents, successors, or assigns, from any and all claims which COUNTY had, has, or might in the future have, arising out of the Project.

The parties hereto agree that this Contract Termination Agreement contains all of the agreements of the parties regarding the termination of the contract and closeout of the Project, and have set their hands hereto

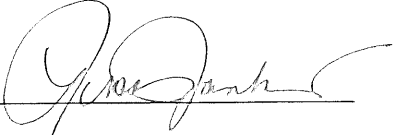
RIC-MAN INTERNATIONAL, INC.

PALM BEACH COUNTY, FLORIDA,  
by its Board of County Commissioners

  
Title: President, *Rene Castillo*

\_\_\_\_\_  
Mayor

Attest:

  
Lisa Jankowski  
Title: Secretary

Attest:

*JCS*  
SHARON R. BOCK, Clerk & Comptroller

\_\_\_\_\_  
Deputy Clerk

Corporate Seal:

Approved as to Form and Legal Sufficiency

\_\_\_\_\_  
Assistant County Attorney